ACCOUNTABILITY FOR THE DEPARTMENT OF EDUCATION'S OVERSIGHT OF STUDENT LOANS AND THE READING FIRST PROGRAM

HEARING

BEFORE THE

COMMITTEE ON
EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, MAY 10, 2007

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Thursday, May 10, 2007
U.S. House of Representatives
Committee on Education and Labor
Washington, DC

The committee met, pursuant to call, at 10:31 a.m., in Room 2175, Rayburn House Office Building, Hon. George Miller [chairman of the committee] presiding.

Present: Representatives Miller, Kildee, Payne, Andrews, Hinojosa, McCarthy, Tierney, Kucinich, Wu, Holt, Davis of California, Davis of Illinois, Bishop of New York, Sarbanes, Sestak, Loebsack, Altmire, Yarmuth, Hare, Shea-Porter, McKeon, Petri, Castle, Ehlers, Biggert, Platts, Keller, Wilson, Kline, Marchant, Fortuno, Foxx, Davis of Tennessee, and Walberg.

Staff present: Aaron Albright, Press Secretary; Tylease Alli, Hearing Clerk; Jeff Appel, GAO Detailee; Alice Cain, Senior Education Policy Advisor (K-12); Sarah Dyson, Administrative Assistant, Oversight; Denise Forte, Director of Education Policy; Gabriella Gomez, Senior Education Policy Advisor (Higher Education); Ryan Holden, Senior Investigator, Oversight; Lloyd Horwich, Policy Advisor for Subcommittee on Early Childhood, Elementary and Secretary Education; Lamont Ivey, Staff Assistant, Education; Thomas Kiley, Communications Director; Ann-Frances Lambert, Administrative Assistant to Director of Education Policy; Ricardo Martinez, Policy Advisor for Subcommittee on Higher Education, Lifelong Learning and Competitiveness; Stephanie Moore, General Counsel; Alex Nock, Deputy Staff Director; Joe Novotny, Chief Clerk; Rachel Racusen, Deputy Communications Director; Julie Radocchia, Education Policy Advisor; Michael Zola, Chief Investigative Counsel, Oversight; Mark Zuckerman, Staff Director; James Bergeron, Minority Deputy Director of Education and Human Services Policy; Robert Borden, Minority General Counsel; Kathryn Bruns, Minority Legislative Assistant; Steve Forde, Minority Communications Director; Taylor Hansen, Minority Legislative Assistant; Amy Raaf Jones, Minority Professional Staff Member; Victor Klatt, Minority Staff Director; Lindsey Mask, Minority Director of Outreach; Linda Stevens, Minority Chief Clerk/Assistant to the General Counsel; and Brad Thomas, Minority Professional Staff Member.

Chairman MILLER [presiding]. Good morning. A quorum being present, the hearing of the Committee on Education and Labor on, "Accountability in the Department of Education's Oversight of the Student Loans and the Reading First Program," will come to order.

I want to welcome everyone to today's hearing on, "Accountability in the Department of Education's Oversight of Student Loans and the Reading First Program."

I would like to thank Secretary Spellings for taking time to testify before us today, and we have a lot of ground to cover.

For several months now, investigations by this committee and elsewhere at the state and federal level have produced a stream of troubling revelations about unethical practices in the student loan industry.

We now know that for the last several years it has been a common practice for lenders to offer gifts and other inducements to college financial aid officers and others in exchange for high loan volume.

At a $74,000 cruise paid for by JP Morgan Chase in 2005, student financial aid officers dined on five spice quail and filet mignon. In one particularly egregious example of an apparent quid-pro-quo, Indiana University essentially accepted a $3 million line of credit from Sallie Mae in 2004, and later dropped out of the government's Direct Loan Program.

We know that lenders have inappropriately accessed the National Student Loan Database in order to find private information about borrowers for marketing purposes. We know that lenders abused federal law to reap questionable windfalls, costing taxpayers hundreds of millions of dollars in overpayments. We know that lenders designed marketing materials to be deliberately misleading by making them look like official government correspondence in order to trick borrowers into responding.

All of these practices come at the expense of students and their families. Lenders have spent millions of dollars to violate the law, and their illegal actions have cost families untold millions at a time of soaring college costs, and this is an outrage. These practices also carry a high cost for the federal taxpayers at a time of tight budgets and huge budget deficits, which is another outrage.

The federal student loan programs must be managed in the best interests of students, parents and taxpayers. Doing so is the responsibility of the Department of Education. I agree with New York Attorney General Andrew Cuomo that testified before this committee last month when he said that the department had been "asleep at the switch" when it comes to overseeing the federal student loan programs. In fact, Mr. Cuomo might have been too polite.

Although I applaud the proposal of the administration's 2008 budget to reduce some of the excessive subsidies made to lenders—subsidies that essentially finance bad lender behavior—the administration has otherwise failed to provide meaningful oversight on the student loan industry.

In 2001, the Bush administration scrapped plans to issue a "Dear Colleague" letter to schools and lenders instructing them to end the practice of trading gifts and other inducements for student loan volume.

In 2003, the administration ignored an alert memorandum from the department's inspector general urging similar action.

In January 2007, the administration allowed nearly 300 million taxpayer dollars to walk out the door because of an antiquated loophole that allows lenders to bill the government at a higher rate of interest. The department knew about this "9.5 percent loophole" for years but failed to close it.

Over the last several months, New York Attorney General Cuomo has led the way in the investigations into the student loan industry, and many other state attorneys general have begun their own investigations. But the Department of Education has been conspicuously missing from action.

What makes all of these even more troubling is that many Education Department officials who have worked directly on the student loan programs appear, according to press accounts, to have their own conflicts of interest.

Some have owned stock in student lending companies. Others are part of a revolving door between the industry and the department. And I am pleased that the department's inspector general has agreed to my request to investigate these conflicts of interest. We need to know whether these conflicts help explain the department's incredible oversight failures.

The work of the Office of the Inspector General brings us to the second topic of today's hearing: Reading First, a program that was rife with conflicts of interest that the inspector general exposed in 2006.

In a committee hearing last month, we heard testimony from three former members of a committee hand-picked by the Education Department to review products that educators use to assess children's progress in learning to read.

All three of those former committee members—Roland Good, Ed Kame'enui and Deborah Simmons—profited either directly or indirectly from the sale of a specific reading product that states were inappropriately pressured to use if they wanted to get federal grant money.

We learned from the education inspector general about his referrals to the Justice Department regarding potential criminal misconduct by Reading First officials.

We also heard how the former director of Reading First, Chris Doherty, had improperly bullied states into using specific reading products. Mr. Doherty's wife worked for an organization linked to those products, a fact that Mr. Doherty repeatedly failed to disclose on financial forms he filed while an employee of the Education Department.

Here again we have to ask why the White House and the Department of Education allowed this mismanagement to continue unchecked. Mr. Doherty, in his testimony, provided one troubling explanation: that he was just following the department's orders. Mr. Doherty testified, "I respected the chain of command at the Department of Education, faithfully executing orders from my superiors, which I never had reason to question, and keeping superiors informed about the program."

When I look at the whole body of evidence that has been amassed about both the student loan and Reading First programs,

it is clear that, at a minimum, that the Education Department's oversight failures have been monumental.

But many people, including me, are wondering if that is the end of the story. Was this simply laziness? Was this incompetence? Was it a deliberate decision to look the other way while these things happened? Or was it a failing more sinister than that? These are the questions that we are hoping to bring to answer today.

By an overwhelming bipartisan vote of 414 to three, the House yesterday approved legislation, sponsored by Mr. McKeon and myself, the Student Loan Sunshine Act, to clean up the student loan industry. We are considering proposals to eliminate conflicts of interest from every program within the Department of Education, including Reading First.

I am hopeful that the testimony we will receive and the discussion we will have today will assist us in these efforts. We must make sure that problems like the ones I have described do not repeat themselves. Students, children, parents, educators and taxpayers deserve to know that the government is working on their behalf, not for the financial benefit of a handful of well-connected individuals and organizations.

And at this time, I would like to recognize the gentleman from California, the senior Republican of the committee, Mr. McKeon.

Prepared Statement of Hon. George Miller, Chairman, Committee on Education and Labor

Good morning. Welcome to today's hearing on "Accountability for the Department of Education's Oversight of Student Loans and the Reading First Program."

I'd like to thank Secretary Spellings for taking the time to testify before us today. We have a lot of ground to cover.

For several months now, investigations by this committee and elsewhere at the state and federal level have produced a stream of troubling revelations about unethical practices in the student loan industry.

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Over the last several months, New York Attorney General Cuomo has led the way with investigations into the student loan industry, and many other state attorneys general have begun their own investigations. But the U.S. Department of Education has been conspicuously missing in action.

What makes all of this even more troubling is that many Education Department officials who have worked directly on the student loan programs appear, according to press accounts, to have their own conflicts of interest.

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Mr. Doherty testified: "I respected the chain of command at the Department of Education, faithfully executing orders from superiors, which I never had reason to question, and keeping superiors informed about the program."

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I am hopeful that the testimony we will receive and the discussion we will have today will assist us in these efforts.

We must make sure that problems like the ones I have described do not repeat themselves.

Students, children, parents, educators, and taxpayers deserve to know that the government is working on their behalf—not for the financial benefit of a handful of well-connected individuals and organizations.

I now recognize the gentleman from California, the senior Republican of the Committee, Mr. McKeon.

Thank you.

Mr. McKEON. Thank you, Mr. Chairman, for convening today's hearing.

And, Madam Secretary, thank you for joining us, and welcome back to our committee. I look forward to your testimony and our discussion about the steps the department and Congress are taking to reaffirm trust in our nation's financial aid system as well as in Reading First.

Oversight is a healthy congressional practice. It has led to some key reforms within the Washington bureaucracy, and I look forward to continuing as a partner in such an effort.

Similarly, oversight within the Department of Education is certainly nothing new. During the late 1990s, as many of us on this panel remember, the department failed a series of internal audits. An estimated $450 million was lost to waste and fraud. Money intended for South Dakota schools, for example, was diverted to buy real estate, and a massive theft ring started by a department employee led to federal charges against 19 people.

After years of work to clean up this mess, in 2003, the Bush administration announced the department's first independent clean audit in years, and they have followed suit each year since. More recently, in 2005, our federal student aid programs were removed from the Government Accountability Office's high risk designation list after 15 years.

My colleagues, this turnaround didn't happen by accident, and I am confident the department will continue to be a partner in addressing the challenges before us.

As we continue with our oversight of the department, I am compelled to express a few concerns to help lay the groundwork for this hearing.

First, I am often puzzled and, frankly, concerned by claims that men and women with a deep understanding of a particular policy area should have no role to play in an agency that deals each day with matters of that very same area of policy.

Chairman Miller, you and I have a deep interest and, as a result, a deep background with regard to education and labor issues. That is why we are sitting in these seats after all. To argue that our background and depth of knowledge taints us and should bar us from legislating on these matters is not sensible.

The same holds true, in my opinion, with regard to our federal agencies. This was the case in the Clinton administration when so-called industry insiders staffed the Department of Education. Nothing was wrong with it then; likewise, nothing is wrong with it now.

Secondly, and I noted this on the floor yesterday when we considered the bipartisan Student Loan Sunshine Act, we need to keep in mind the fact that the vast majority of the men and women involved in our nation's financial aid and Reading First programs are hardworking, well-intentioned public servants. If we broadly condemn then, including the vast majority who do exceptional work, we do so at our own peril and risk undermining public confidence in student aid programs and a Reading First Program that, by all accounts, are working well for millions of American students and their families.

And, finally, I believe oversight should lead to action, not merely headlines. Overzealous oversight all too often triggers overly broad

requests for information that can distract an agency from serving the needs of those who depend on it. In this instance, that is student, parents and taxpayers.

Similarly, we must be cautious not to engage in an endless partisan fishing expedition that after awhile runs the risk of becoming a witch hunt instead of a serious pursuit of changes to public policy.

With regard to serious changes to public policy, Mr. Chairman, I believe our bipartisan vote yesterday on the Student Loan Sunshine Act has gotten us off to a good start. Through that bill, we have taken key steps to ensure our financial aid system continues to serve the needs of the students who depend on it for a chance at a college education.

Madam Secretary, I was pleased to read in your prepared testimony that your Student Loan Task Force has made a number of recommendations that will now be incorporated into the regulatory process.

Going beyond these recommendations, I am hopeful that soon you will reopen the National Student Loan Data System so student lenders again will be able to fully participate in this system and provide the best possible service to families counting on a student loan to attend college this coming fall and graduates planning to consolidate their loan prior to July 1 when variable loan interest rates are expected to increase on existing loans.

I think this is very important that this be done quickly, because we are at a crucial time for these prospective students and graduates.

On Reading First, Madam Secretary, I applaud the immediate administrative changes you have implemented in light of the inspector general's report.

Mr. Chairman, as you know, Mr. Castle and I introduced legislation several weeks ago to codify the inspector general's recommendations. We all are in agreement that Reading First is a successful and worthy program. Now we must take the initiative to change the law accordingly to ensure past instances of mismanagement never repeat themselves again.

Mr. Castle's and my bill will do that, and I urge its speedy passage in committee.

Once again, Madam Secretary, I thank you for joining us today. I look forward to your testimony and our discussion.

And, Chairman Miller, I look forward to a productive hearing that will point us in the direction of real issues, real action on the two important issues before us today.

Prepared Statement of Hon. Howard P. "Buck" McKeon, Senior Republican Member, Committee on Education and Labor

Thank you, Mr. Chairman, for convening today's hearing. And Madam Secretary, I thank you for joining us and welcome you back to our Committee. I look forward to your testimony and our discussion about the steps the Department and Congress are taking to reaffirm trust in our nation's financial aid system, as well as Reading First.

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failed a series of internal audits. An estimated $450 million was lost to waste and fraud. Money intended for South Dakota schools, for example, was diverted to buy real estate and new cars; more than $1 million was lost to false overtime payments; and a massive theft ring, started by a Department employee, led to federal charges against 19 people. After years of work to clean up this mess, in 2003, the Bush Administration announced the Department's first independent, clean audit in years. And they have followed suit each year since. More recently, in 2005, our federal student aid programs were removed from the Government Accountability Office's High-Risk designation list after 15 years. My colleagues, this turnaround didn't happen by accident, and I am confident the Department will continue to be a partner in addressing the challenges before us.

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Once again, Madam Secretary, I thank you for joining us today. I look forward to your testimony and our discussion. And Chairman Miller, I look forward to a productive hearing that will point us in the direction of real action on the two important issues before us today.

Chairman MILLER. I thank the gentleman for his statement.

Without objection, all members will have 14 days to submit additional materials or questions for the hearing record.

Before proceeding to introduce our witness, the secretary, let me lay out the process we will follow in this investigative hearing.

We will begin with a 10-minute statement by Secretary Spellings. To ensure that we have a full opportunity to flesh out relevant facts for the record, I am exercising my prerogative as chair, pursuant to Rule 2(b) to extend the 5-minute rule for myself and Mr. McKeon.

Following Secretary Spelling's testimony, Mr. McKeon and I will each engage in a 20-minute round of questioning, after which other members will participate under the 5-minute rule.

I would also alert the members that I think we are expecting a series of votes here, I am told five votes, which may provide a considerable interruption in the hearing rather quickly.

But, clearly, I believe we will have time, Madam Secretary, for your testimony at a pace in which you will be comfortable delivering it.

Margaret Spellings is the U.S. secretary of education. Prior to being appointed to that position in January 2005, Ms. Spellings served as President Bush's assistant for domestic policy where she helped develop the No Child Left Behind law and other education policies.

Additionally, she served for 6 years as President Bush's senior education advisor, developing and implementing then Governor Bush's education reforms and policies in the state of Texas.

And during her stint, certainly, as secretary, she has been very helpful to this committee as we have dealt with the implementation of No Child Left Behind.

And we appreciate that, and we look forward to your testimony. And thank you for making this time available.

STATEMENT OF HON. MARGARET SPELLINGS, SECRETARY, U.S. DEPARTMENT OF EDUCATION

Secretary SPELLINGS. Thank you, Mr. Chairman and members. I very much appreciate this opportunity to set the record straight on my department's oversight of college student aid and the Reading First Program.

Federal student aid is crying out for reform. The system is redundant, it is Byzantine and it is broken. In fact, it is often more difficult for students to get aid than it is for bad actors to game the system.

For example, throughout the 1990s, millions of dollars meant to help families foot the bill for college were subject to waste, fraud and abuse. Since President Bush took office, we have worked hard to clean up this system.

Today, the majority of schools and lenders are doing the right thing, but when the public's trust is violated, my department has, and will, act.

For example, since last August, I have been working to address urgent issued, like preferred lender lists and inducements through the rulemaking process that you set up by law. I invited this committee and its counterpart in the Senate to suggest people to join this process.

At that time, Mr. Chairman, you and other members of this committee sent me a letter requesting that I delay further action until Congress could act. I appreciate very much the fact that yesterday the House of Representatives took an important first step in this process, but in the absence of completed congressional action, it has been my duty to expedite reform.

So in December, I convened representatives from student groups, institutions and the lending community, as is required to fully represent all stakeholders, and asked them to look at ways to make the system more transparent and easier to use for millions of students and families.

When the committee failed to reach consensus last month, I immediately assembled an internal task force to work on these key issues. They reported to me yesterday with recommendations to end unethical practices, put students' needs first and maintain trust and integrity throughout the system.

The task force recommended new plans to inject more choice, competition and transparency into federal student aid. These plans will ensure every borrower has the right to choose any lender and require that if a school has a preferred lender list, it must disclose how and why lenders are chosen. It must include a minimum of three unaffiliated lenders, and it must not favor some students more than others.

In addition, we have strengthened longstanding guidance on what is legal and what is not with regard to inducements. This includes a ban on gifts and steps to limit deceptive marketing by lenders. I will work to release draft regulations to be printed in the Federal Register by the end of this month. Even if and when a law is passed, I will have jumpstarted the regulatory process which would ordinarily be just beginning its 18th plus month timeline.

There is more work ahead, of course, but I can't do it alone. We must work together to change existing law. The opportunity to enact critical reform has come and gone since 2003 when the Higher Education Act became eligible for renewal. Students deserve action now.

But let me be clear: If we limit our efforts to lending practices without addressing the interrelated nature of cost, financing, quality and accessibility in higher education, we are only treating the symptoms instead of finding the cure.

We all know that federal student aid has failed to keep up with dramatic changes in higher education, like soaring tuition costs and a lack of transparency that makes oversight and real consumer choice more difficult, let alone the rising demands of our knowledge economy that have caused enrollment to nearly triple over the last 25 years while costs have increased nearly 400 percent in that same time period.

That is why, shortly after becoming secretary 2 years ago, I appointed a commission to make higher education more responsive to the needs of students, parents, educators and the business community. That commission found that when it comes to controlling costs we, at the federal level, certainly have a role to play. Currently, there are 20 federal programs aiding students and more than 200 federal laws governing higher education—layer upon layer of complexity and inefficiency.

My department oversees federal student loans. Private loans, which have lately been the focus of so much attention, are overseen by other agencies, like the FTC, the FDIC, the SEC and the Federal Reserve. Therefore, I am convening the chairs of all these relevant agencies to coordinate a government-wide endeavor to end student loan abuse no matter where it occurs.

Mr. Chairman, I invite your committee and your colleagues in the Senate to help me lead this effort to restore faith in student financial aid broadly. We cannot fix this broken enterprise by cherry-picking a few narrow issues to address. We must peel back the layers, increase transparency, streamline the entire system and provide much more aid to students, which is exactly what we have been doing.

I have already provided you with written testimony that describes in detail how we have improved management and reduced the default outstanding loan portfolio by 40 percent since 2001. More recently, I have tightened oversight of our student loan database and sent on-site teams to review the lender relationships of the 44 schools highlighted in recent reports.

In addition, since my commission's report, we have been acting on their recommendations to increase affordability, accessibility and accountability in higher ed. We have worked to streamline and increase federal aid, strengthening the accrediting process and telling students much earlier who they qualify for aid.

Earlier this year, President Bush proposed the largest increase in federal Pell Grants in 30 years, and I am glad that the Congress has taken steps to help accomplish that goal.

And I hope very much that we can work together in that same bipartisan spirit to execute the commission's remaining recommendations and reauthorize the Higher Education Act this year.

Mr. Chairman, 5 years ago, with No Child Left Behind, we worked across party lines and committed to have every child on grade level by 2014. Today, this law is working, shining a spotlight on student achievements and building demand for further changes, like keeping America's teenagers from dropping out of school.

An integral part of that program is the Reading First Program, the largest, most effective reading initiative in our nation's history. The latest data shows that Reading First is producing sizable gains in fluency and comprehension for nearly 2 million first, second and third graders. I am deeply concerned about the report Senator Kennedy released yesterday, and my department is working with the inspector general on this matter, as we have done previously.

Last fall, I put in place new leadership to oversee Reading First and issued clear guidance and training in implementation. I have sought input from states on how to improve the program and developed a new charter to strengthen peer reviews, and I have directed my general counsel to take further steps to prevent conflicts of interest.

But together we can and must do more. From K-12 to higher education, you and I now have an opportunity to enact meaningful new policies that make a real difference for students and families, as we have done before.

Both No Child Left Behind and the Higher Education are up for renewal again this year. Where these laws need changing, let's do

it. Where families need our help, let's provide it. Together, we can enact policies that help prepare more students for college and make sure they can afford it when they get there.

Thank you, Mr. Chairman. I would be happy to answer your questions.

[The statement of Secretary Spellings follows:]

Prepared Statement of Hon. Margaret Spellings, Secretary, U.S. Department of Education

Thank you, Mr. Chairman and Members of the Committee. I appreciate this opportunity to set the record straight on my department's oversight of college student aid and the Reading First program.

We've heard a lot lately about alleged unethical practices in the student loan industry. Students and families expect and deserve honest, ethical behavior from our government, our universities, and our lenders.

Annually, ten million students in our country receive Federal financial aid. My department is the means by which almost half of them are able to afford college. We work with schools and lenders across our country. The vast majority of them are doing the right thing for students.

However, the fact is, federal student aid is crying out for reform. The system is redundant, it's Byzantine, and it has failed to keep up with dramatic changes in higher education. In many ways, it's also a prime target for those looking to game the system.

In the instances when the public's trust is violated, it's our responsibility to act—and that is what we've done.

Federal Student Aid Purposes, Operational Scope and Scale

The Department of Education's grant, loan, and work-study programs represent the largest source of student aid for postsecondary education in the United States. In 2006, these programs provided approximately $77 billion to more than ten million students and their families.

Federal Student Aid is charged with operational responsibility for oversight and administration of all the Department's Federal student financial assistance programs under Title IV of the Higher Education Act of 1965 (HEA) and, as one of the government's few Performance-Based Organizations, upholds high standards of operational efficiency, innovation, and customer care.

The Higher Education Amendments of 1998 established Federal Student Aid, under the direction of the Secretary, as the Federal Government's first Performance-Based Organization, with particular emphasis on modernizing the delivery of the Federal student assistance programs. The authorizing statute provides that the purposes of the Performance-Based Organization are to:

- Increase accountability;
- Improve service to students;
- Integrate information systems;
- Implement a common integrated delivery system;
- Strengthen program integrity; and
- Reduce costs of administering the programs.

The Department's Federal Student Aid office ensures the availability and accessibility of the Free Application for Federal Student Aid (FAFSA) to students and parents and receives and processes FAFSAs for over 14 million aid applicants each year. Over the past several years, Federal Student Aid has dramatically transformed the aid application process from a 100 percent paper process to one that is now 96 percent web-based.

The Department's Federal Student Aid office is one of the largest originator of student loans, annually making nearly three million Direct Loans totaling nearly $13 billion to almost two million student and parent borrowers. In 2006, it originated over 1.2 million Direct Consolidation Loans totaling more than $19 billion. It is responsible for servicing the over $89 billion outstanding loan portfolio of 18 million Direct Loans made to more than seven million borrowers. It is also responsible for collection on over $21 billion of defaulted student loans, including Direct Loans (DL), Family Federal Education Loans (FFEL), and Perkins Loans. It oversees the approximately $450 billion outstanding student loan portfolio, including loans held by lenders, guaranty agencies, and schools. It also ensures the delivery of nearly $13 billion in Federal Pell Grants to over five million undergraduate students each year. The Federal Student Aid systems process millions of financial and other transactions annually and its websites receive billions of hits each year. Its customer care

centers annually handle more than 34 million inbound and outbound phone calls. And each year it sends more than 41 million communications to aid applicants and borrowers.

State of Affairs in 2001

Despite the critical role that the Department and Federal Student Aid (FSA) plays in helping millions of students attend college, when this Administration took the helm of the Department in January 2001, we inherited a situation in which both were in a state of complete disarray. The Department and Federal Student Aid had not received clean audit opinions in years and there was not any expectation of receiving them in the near future. Millions of dollars of grant money could not be accounted for. The Inspector General's Office, the General Accounting Office, and outside auditors had identified 661 audit recommendations for improving financial management, internal controls, operational management, program management, and compliance oversight that needed immediate attention. The situation was dire and the evidence of mismanagement egregious.

This Administration immediately committed to cleaning up these programs. Specifically, we committed to:

- Ensuring the removal of Student Financial Assistance Programs from the GAO High Risk List;
- Obtaining clean financial audit opinions;
- Putting in place effective systems of internal controls to protect the Department's assets from waste, fraud, and abuse;
- Making the systems and processes supporting student aid delivery and management more efficient and less costly;
- Continuing efforts to reduce student loan default costs; and
- Making accountability for results the primary operating principle for all Education managers, grantees, and contractors.

These commitments were ambitious and important, and I'm pleased to report we have achieved each and every one of them.

Prior to the establishment of Federal Student Aid as a Performance-Based Organization, the Federal Student Aid programs were plagued with oversight and management challenges, high default rates, and customers who were not happy with the service they received. In 1990, the Government Accountability Office (GAO) found the federal student aid programs at high risk for fraud, waste, abuse, and mismanagement. Financial management and internal controls around the programs were largely non-existent and unqualified audit opinions were not attainable. In 1990, student loan cohort default rates had hit an all-time high of 22.4%. Customer satisfaction was not even measured.

It was indeed shocking the amount of hard work necessary to address the clear oversight and management issues that landed the federal student aid programs on the GAO High Risk list in 1990 and where they remained when this Administration arrived on the scene.

We recognized the inherent challenges in providing billions of dollars of grants and loans, through thousands of intermediaries to millions of students; however, we chose to aggressively manage the challenge to ensure access to postsecondary education while reducing the vulnerability of student aid programs to fraud, waste, error, and mismanagement. To accomplish this goal, in April 2001, this Administration made obtaining clean audit opinions a top management improvement priority. The Department established a Management Improvement Team composed of eight members of the senior staff of the Education Department who worked exclusively on attacking the problems and developed a comprehensive "Blueprint for Management Excellence". In addition, the President's Management Agenda (PMA), announced in the summer of 2001, included an initiative specifically focused on improving the Department's financial management and removing the federal student aid programs from GAO's high-risk list.

The task at hand was daunting and required the Department and Federal Student Aid to:

- Clearly demonstrate strengthened financial management and internal controls over the federal student aid programs and the Department as a whole;
- Obtain unqualified audit opinions both on Federal Student Aid and the Department's financial statements;
- Demonstrate Federal Student Aid was integrating its delivery systems while providing high- quality services to students, colleges and universities, and financial institutions;
- Provide assurance and direct evidence that the Department has the systems, leadership, and processes in place to continue to maintain the integrity of its finan-

cial management, the major hurdle for the federal student aid programs' high-risk designation;

• Maintain a balanced management approach in the federal student aid programs that seeks to minimize non- compliance and default rates while still promoting the widespread use of the programs; and

• Demonstrate the existence of plans, processes, and infrastructure to address risk issues identified as key to the success of the federal student aid programs.

Theresa "Terri" Shaw, appointed as the Chief Operating Officer of Federal Student Aid in September 2002, was charged specifically with the task of ensuring the removal of the federal student aid programs from the GAO High Risk list and achievement of clean financial audit opinions as her top two priorities. Terri came to the Department after twenty-two years of exemplary work in federal student aid delivery, information technology, business process reengineering, contract management, and organizational change management.

Under this Administration, clean financial audit opinions have been achieved for the past five consecutive fiscal years beginning with FY 2002. The only prior clean financial audit opinion in the history of the Department was in 1997. When GAO removed the federal student aid programs from its High Risk list in early 2005, it recognized the significant progress of Federal Student Aid and the Department in resolving financial integrity and management issues and demonstrating strong commitment and senior-level leadership support for addressing issues and risks.

In addition, on March 31, 2005, Federal Student Aid achieved "all green" status on the President's Management Agenda (PMA) scorecard for Elimination of Fraud and Error in the Student Aid Programs and Deficiencies in Financial Management.

Federal Student Aid also focused on student loan default prevention and management through default prevention strategies implemented by participants across the programs. Since FY 2000, the combined FFEL and Direct Loan FY 2000 cohort default rate has been reduced by nearly 14 percent from 5.9 percent to 5.1 percent for FY 2004. Cohort default rates have been reduced from an all-time high of 22.4 percent for FY 1990. It is expected that when the FY 2005 cohort default rates are announced in September 2007 that they will be even lower than the current 5.1 percent.

At the same time, we also moved to make the financial aid application (FAFSA) and the process for filling it out more user-friendly. We went from a process that was 100 percent paper to one that is now 96 percent electronic. In fact, electronic processing has been implemented in all phases of the financial aid process. This is accomplished through a series of secure, user-friendly, and efficient electronic processes that have simplified the financial aid process for students and families. Federal Student Aid's new Public Service Announcement (PSA) "Only a Dream" was ranked in the Top 10% most viewed Nielsen-tracked PSAs in January, Top 5% in February and Top 6% in March resulting in reaching an audience of over 160 million.

The FY 2006 American Customer Satisfaction Index (ACSI) ratings for Federal Student Aid's highest volume products and services- including the electronic FAFSA, Common Origination and Disbursement and Direct Loan Servicing, score in the "Excellent" and "Good" range. Our products and services score higher than the federal government aggregate scores and on par with private sector scores.

Fair and effective oversight and monitoring of the approximately 6,000 institutions of higher education that participate in the programs is one of Federal Student Aid's core responsibilities, as is its oversight of the nearly 3,500 lenders, guaranty agencies, and servicers that participate in the FFEL Program.

Federal Student Aid's oversight activities include real-time quality control. Federal Student Aid has built into its systems and processes edits, triggers, risk assessments, and other features that enable it to monitor and correct errors and to provide early warnings of potential trouble. For example, our monitoring alerted us to: (1) anomalies in access to the National Student Loan Data System (NSLDS); (2) the financial condition of the Oregon Student Aid Commission (OSAC) early enough so that a seamless closure and transition of OSAC's guaranty services could occur; and (3) the increase in special allowance payments made to loan holders on certain FFEL loans made or purchased with tax-exempt funds which led the Administration to include a proposal in the President's FY 2005 Budget that would stop the increase in 9.5% special allowance.

In addition, Federal Student Aid monitors the school and lending community by reviewing required annual compliance audits and financial statements, performing on-site program reviews, and analyzing partner-specific data to detect trends and areas that could be of concern.

Federal Student Aid engages in an ongoing process of actively identifying risks in the programs. Noncompliance with statutes, regulations, and policies by schools,

lenders, guaranty agencies, and servicers not only places Title IV funds at risk but also erodes the public trust in the programs. We partnered with the Department's Office of the Inspector General to establish a joint task force to identify real or potential risks for fraud, waste, abuse, and mismanagement in the programs. Federal Student Aid also established an Enterprise Risk Management unit to better coordinate risk monitoring and action plans among our various business units and with other Department of Education offices.

Let me speak specifically about the issues that have received recent attention:

National Student Loan Data System (NSLDS):

In 1994, the Department of Education created NSLDS in order to facilitate students' access to financial aid and loan information. Lenders may have access to the National Student Loan Data System (NSLDS) for the purpose of assisting with determining the eligibility of an applicant for federal student aid and the collection of federal student loans and grant overpayments. NSLDS information may not be used for any other purpose, including the marketing of student loans or other products. In fact, NSLDS does not provide access to email addresses, phone numbers, or addresses of borrowers that could be used for marketing purposes. NSLDS information is protected by the Federal Privacy Act, and pursuant to the routine uses published in the NSLDS system of records notice the Department discloses to external authorized entities, information such as borrower social security number, date of birth, and data regarding Title IV aid received, as well as federal loan amounts, outstanding balance, current status of the loan, and grant amounts only for the purposes described above.

Information accessible to external authorized users of NSLDS is limited to borrower social security number, date of birth, and data regarding Title IV aid received, such as federal loan amounts, outstanding balance, current status of the loan, and grant amounts.

NSLDS does not authorize a user to "dig through tons of data", nor does it authorize the analysis of multiple borrower records for identification of hidden patterns or behaviors, nor does it authorize the exploring of transactions, nor does it permit database searches for multiple borrowers. These activities are commonly referred to as "data mining". NSLDS only allows a user to look up a single borrower at a time and only if the user has a relationship with the borrower or the borrower's specific permission to do so, as demonstrated by the borrower's return of a solicitation which contains such an authorization, by other written authorization by the borrower; or verbal permission as noted in call records of the lender. The use of automated tools to speed up the process of looking up borrower records one entry at a time is prohibited. Federal Student Aid deploys a variety of tools and techniques specifically designed to detect the use of such automated tools. These tools and techniques alert us to the possibility that automated tools are being used and automatically suspend the access for the user ID.

A common practice in the consumer credit industry is the purchase of data from credit bureaus and other sources for the specific purpose of making an offer of credit to an individual, such as credit card offers. Consolidation lenders participating in the FFEL program also follow this practice. Once the solicitation offer is made to a borrower and permission by the borrower is granted, the lender is authorized to access NSLDS to obtain information on the underlying loans that the borrower wishes to consolidate. It is the responsibility of the chief officer of each entity to ensure that its authorized users are in compliance with NSLDS access requirements.

There are 60 million student records in NSLDS representing loans that are both active and paid in full. The signature of the chief officer of the organization is also required to certify appropriate use of the system by his or her employees. In addition, the signature of the individual authorized by the chief officer of the organization is required for system access and use. With their signature, users confirm their understanding of the requirements for system use and agree to use the system in accordance with all rules and regulations. There are approximately 29,000 school accounts and 7,500 lender accounts.

The data residing in NSLDS are confidential and are protected by a series of both federally mandated and discretionary security measures, including the Privacy Act of 1974. These measures include access management, network and physical security policies and procedures such as protective surveillance of recurring threats such as virus and mail-ware filters, monitoring of suspicious external traffic, such as attempted denial of service attacks, firewalls, access and usage monitoring and tracking, and routine testing and surveillance using intrusion detection systems. NSLDS must annually pass, at a minimum, a FISMA audit, a financial audit or Security Certification and Accreditation. Most systems are annually tested by more than one

of these three procedures and all systems must pass every test within any three-year period.

Federal Student Aid continuously monitors access to NSLDS to prevent unauthorized use and, since 2003, Federal Student Aid has invested over $650,000 in improved system security and monitoring tools and processes to ensure the integrity of student information.

Since 2003, these oversight efforts have resulted in the revocation of over 52,000 user IDs. The majority of these revocations were due to user inactivity; however, 261 user IDs were revoked due to suspicious activity. Of these 261 revoked IDs, 246 user IDs belonged to lenders, loan holders, guaranty agencies and servicers; and 15 user IDs belonged to schools.

As a result of the Department's monitoring of NSLDS usage, we issued a Dear Colleague Letter (DCL) in April 2005. This DCL explicitly reiterated to program participants that failure to comply with NSLDS usage requirements may result in the organization or individual losing access to the system and/or being subject to further sanctions.

Following the release of the DCL, we observed a significant increase in usage by lenders, loan holders, servicers, and guaranty agencies. Based on this increase, the Department had concerns as to the appropriateness of such access and discussed the termination of access by lenders, loan holders, servicers, and guaranty agencies. As a result, the Department decided to temporarily suspend access to NSLDS by all entities except schools and borrowers—effective April 17, 2007. During this temporary suspension of access, the Department is conducting a comprehensive review of the specific uses of NSLDS to determine if there has been unauthorized access or use. The Department is consulting with the Inspector General to complete this review. As part of my Task Force on Student Loans established on April 24, 2007, we are also reviewing all guidance to determine if enhancements are necessary.

On May 2, 2007, the Department began to notify entities, beginning with guaranty agencies, of the process to restore their access to NSLDS. Access to NSLDS will be restored only after the Department has determined that it is appropriate to do so based on the analysis of access and usage information for each entity. As such, the timing of access restoration will not be the same for all entities.

This analysis is being conducted in a manner that assures the Department that an entity has only accessed and used NSLDS for approved purposes. Additionally, restoration of access will be predicated on the receipt and approval by the Department of: (1) a listing that identifies each of the entity's personnel for whom it wishes to have NSLDS web access and the specific authorized use or uses by that person; and (2) a certification, signed by the entity's Chief Executive Officer (CEO) and its Department of Education Data Point Administrator (DPA), that affirms that the entity and each of its staff for whom it has requested, or will request, NSLDS access is in compliance with all applicable guidance provided by the Department.

Access by an individual will be permanently terminated if the NSLDS access requirements are violated. Access by an entity will be permanently terminated if there are three violations of the NSLDS access requirements within a 12-month period by persons associated with that entity. In addition, unauthorized access or use of NSLDS may subject users to criminal or civil penalties, including fines and/or imprisonment.

The Department is also developing a fact sheet—"Protecting Your Private Information"—designed to help students and families understand the importance of protecting their private information and granting of permission for others (specifically entities other than schools) to access their NSLDS information.

Alleged Close Relationships with the FFELP Industry:

It has been suggested that the Department administers the FFEL and DL programs with favoritism to the FFEL program due to alleged close relationships to the FFEL industry. This suggestion is totally without merit and has no basis in fact. A recent example that demonstrates the falsehood of this assertion is the Department's swift response to the Inspector General's September 2006 report that one lender, Nelnet, was improperly billing loans from ineligible sources for 9.5% special allowance payments. Within two weeks, 9.5% payments to Nelnet were frozen and within months, the industry received a Dear Colleague letter (DCL) restating the statutory requirements for eligible sources, and we announced that 9.5% payments would be suspended for the entire industry. The DCL also indicated that henceforth 9.5% payments would only be made for loans proven to be eligible after new, industry-wide audits. The Department then issued the methodology to be used in these audits, which it developed with the Office of the Inspector General.

While the IG's report highlighted another dimension to the problem, our work on the 9.5% payments began well before the report's release. In the summer of 2003,

Department staff noted an alarming increase in special allowance payments made to loan holders on certain FFEL loans made or purchased with tax-exempt funds. The Department's staff determined that these claims for the higher payment were being made under a loophole in the rules written during the previous administration that allowed certain loans financed with tax-exempt funds to qualify for a 9.5 percent special allowance subsidy, minus the applicable rate of interest on such loans. This led the Administration to include a proposal in the President's FY 2005 Budget that would stop the increase in 9.5% special allowance payments.

After the Higher Education Act reauthorization was delayed that year, we began working closely with Congress to address the issue. President Bush closed the loophole when, on October 30, 2004, he signed the Taxpayer-Teacher Protection Act of 2004 (TTPA), which enacted a 1-year moratorium, since made permanent, on granting 9.5% special allowance subsidies on a wide variety of loans financed with tax-exempt obligations.

The savings achieved by closing the loophole went to a purpose close to my heart—to increase loan forgiveness programs for borrowers who participate in the Federal student aid programs and serve our country as teachers. Under the law, teachers who are employed full-time for five consecutive years and are highly qualified in secondary-school science or math, or are highly qualified in elementary or secondary school special education, qualify for loan forgiveness of up to $17,500.

As significant as the Taxpayer-Teacher Protection Act was in curbing a significant abuse in the Federal student loan programs and increasing loan forgiveness for teachers, the Higher Education Reconciliation Act of 2005 (HERA) promises to have a longer and likely more significant positive impact on academic preparation and higher education in the U.S. The origins of many of the initiatives contained in the HERA can be traced directly to President Bush's fiscal year 2006 budget, which proposed significant savings in the Federal student loan programs and redirected significant funding to student benefits. These initiatives include curbing excessive special allowance payments and insurance, making the changes to the treatment of loans in the Taxpayer-Teacher Protection Act permanent, supporting additional need-based grant funding, and raising first- and second-year loan limits.

Congress also chose to authorize the two new Federal grant programs to help low-income students pay for postsecondary education—Academic Competitiveness and National SMART Grants. These new programs—authorized on February 8, 2006, and launched just 143 days later on July 1, 2006—have already awarded more than $400 million to over 330,000 Pell Grant-eligible students helping to reduce their student loan debt. While these programs are complex and required significant work by the Department and institutions, I believe that they will: first, change the way that our high school students prepare for postsecondary education; and second, encourage more college juniors and seniors to study critical, high-need subjects. For this reason, I'm pleased that Congress made the decisions that they did in enacting the HERA with these two new programs.

President Bush has consistently put the needs of students—particularly those from low-and middle-income families—first.

Most recently, the President's fiscal year 2008 budget request, which is pending before Congress, would reduce interest subsidies on student loans by 1/2 percent, saving $12.4 billion over 5 years. He also proposed to reduce insurance on FFEL loans from 97% to 95%, saving an additional $1.6 billion over 5 years. And he proposed to increase the fee lenders pay when making a consolidation loan from 0.5 percent to 1.0 percent reducing Federal costs by $850 million. These savings will be used to pay for increases in the Pell Grant and Academic Competitiveness Grant programs and to raise loan limits for juniors and seniors in college. As I am sure you are aware, we have been criticized by FFEL lenders, some of whom have claimed lower subsidies will force them to reduce borrower benefits or leave the program. However, I believe that we can and must responsibly reduce subsidies in the FFEL program and use those savings to increase grant aid.

Further, it has been suggested that the Department's employment of skilled staff with industry experience equates to "close ties" to the industry and, therefore, does not allow for unbiased and impartial oversight and instead emphasizes partnership over enforcement. I should note for the record that the previous administration's July 1, 1999 report, "Reinventing Service", from the Customer Service Task Force, specifically stated that Federal Student Aid (then named Office of Student financial Assistance-OSFA) * * *" should be working in close partnership with financial institutions." Additionally, the previous administration began the practice of recruiting skilled staff with industry experience. Greg Woods, Federal Student Aid's first Chief Operating Officer, created a specific organizational unit, the Financial Partners Channel, to work in close partnership with lenders, guaranty agencies, and third-party services participating in the FFELP. He also began the practice of hiring

managers with industry experience. The first General Manager of the FSA Financial Partners Channel was J. Barry Morrow, who was previously an executive with Sallie Mae. Succeeding Mr. Morrow was John Reeves, who was previously the President of Educaid, at the time the sixth largest student loan lender and the fourth largest holder of student loans, and prior to that an executive with The Money Store.

The previous administration understood, and we agree, that the experience and insights that private-sector leaders and managers bring to the important task of making the financial aid system work better for students, schools, and lenders is invaluable.

Since it was first established as a Performance Based Organization in 1998, Federal Student Aid has assembled a senior leadership team possessing over 300 years of experience in the private sector, the higher education community, and government. This team's leadership and expertise ensures Federal Student Aid achieves its strategic objectives, including annually delivering critical financial aid to millions of students and families and managing the inherent risks in the programs.

Since it is responsible for the administration of both the FFEL and DL programs, Federal Student Aid administers these programs in an evenhanded manner. The two programs share the same goals, the same eligibility requirements, and many of the same benefits. We firmly believe that the existence of the two programs has led to increased competition, improved customer service, and lowered costs for students and taxpayers alike. It should be noted that, since 2002, significant operational and management improvements have been implemented to enhance administration and financial and operational management of the DL program. These improvements are focused on better serving the 1,087 DL schools and the nearly 7 million DL borrowers, as well ensuring the sound fiscal management of the more than $93 billion outstanding portfolio. Prior to 2001, billions of dollars disbursed annually under the DL program were not: (1) fully reconciled to the Department's financial records; (2) verified as actually being delivered to students within the required timeframes; and (3) delivered to the DL servicer for on-going servicing within the required timeframes. Today, all disbursements are: (1) 100 percent reconciled from the date of disbursement through loan payoff; (2) verified as being delivered to the students or returned to the Department with 30 days as required; and (3) immediately delivered to the DL servicer for on-going servicing.

Inducements:

New York Attorney General Andrew Cuomo's testimony before this Committee at its recent Hearing on "Examining Unethical Practices in the Student Loan Industry" was ill informed on the Department's actions and on federal law. Any suggestion by a state attorney general that a violation of a state's law on deceptive trade practices and/or a state's fraud law would equate with an automatic violation of Title IV of the Higher Education Act (HEA) is misleading.

As Attorney General Cuomo should know, the Department has no authority to apply the HEA anti-inducement provisions to consumer credit loans that are governed by other federal regulators, including the Comptroller of the Currency, the Federal Reserve, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Federal Credit Union Administration. The legal, regulatory, and supervisory framework for consumer protection specifically includes the following statutes, which collectively address the lending process, irrespective of the loan product, in terms of equal access, origination, disclosure, and privacy:

- Truth-in-Lending Act
- Fair Credit and Charge Card Disclosure Act
- Fair Credit Reporting Act
- Equal Credit Opportunity Act
- Fair Debt Collection Practices Act
- Home Equity Loan Consumer Protection Act
- Home Ownership and Equity Protection Act
- Fair Housing Act
- Real Estate Settlement Procedures Act
- Fair Credit Billing Act
- Expedited Funds Availability Act
- Truth-in-Savings Act
- Electronic Funds Transfer Act
- Consumer Leasing Act
- Gramm-Leach-Bliley Act
- Patriot Act
- Sarbanes-Oxley Act

The Department is investigating, under its authority, whether, in fact, there have been violations of the anti-inducement provisions of the HEA. Federal Student Aid already has teams performing on-site reviews of the 44 schools and 26 lender/eligible lender trustee relationship for which unethical practices have been alleged to date to determine if there have, in fact, been violations of the anti-inducement provisions of the HEA.

In addition to these efforts to address inducements, we have taken a number of steps to tighten our oversight responsibilities of federal student financial aid programs under existing regulations and within the authority the Department has been given through the congressionally-mandated process for issuing new regulations. These steps include, but are not limited to: (1) improved reporting requirements for guaranty agencies and lenders; (2) improved reporting and monitoring of the required reserve ratios that must be maintained by guaranty agencies; (3) the development of a methodology for establishing a FFELP improper payment error rate; (4) the creation of consolidated risk management scorecards for both lenders and servicers to better target oversight monitoring; and (5) the standardization of the Program Review process. In fact, many of these steps led to the removal of the federal student aid programs from the GAO High Risk List in January 2005.

As noted in my letter to Senator Edward Kennedy on April 17, 2007, the Department issued a Dear Colleague letter on March 30, 2007 reaffirming that student and parent borrowers under the FFEL program may select the lenders of their choice. Additionally, during its annual Title IV compliance training conferences in October and November of 2006, Federal Student Aid specifically addressed the importance of compliance with the anti-inducement provisions in the HEA.

While I appreciate the fact that yesterday, the House of Representatives took an important first step in this process, I determined last year that absent Congressional reauthorization of the HEA, it was my duty to address, among other issues, preferred lender lists and prohibited inducements in the FFEL program through the rulemaking process that you set up by law. Indeed, in January 2007, the Department offered draft regulatory language to strengthen existing regulations on preferred lender list practices and on inducements. Despite the Department's urging that the proposed language be adopted, the negotiated rulemaking committee did not reach consensus at their fourth and final session on Friday, April 20.

As you know, on April 24, 2007, I announced the formation of a Task Force on Student Loans to build on the negotiated rulemaking committee's work around key lender issues such as preferred lender lists, prohibited inducements, and NSLDS. This internal task force includes representatives from the Department's Office of Postsecondary Education, Federal Student Aid, and Office of the General Counsel. Representatives in the Office of Inspector General participate in an advisory role.

My Task Force just recommended new plans to strengthen the Department's original position and make it clear that:

- Unethical practices should cease and desist;
- All conduct related to student lending should be centered around borrower interests; and
- Trust and integrity must be maintained in our student aid system.

I appreciate the hard work of the Task Force and their thoughtful recommendations to protect borrowers. They have made insightful suggestions that would curb lender inducements to schools and introduce greater transparency to the practice of selecting preferred lenders. I will carefully consider these recommendations as I draft a Notice of Proposed Rulemaking (NPRM). I plan to publish an NPRM that addresses these issues in the Federal Register in the next several weeks.

Given the limited statutory authority and high threshold that the Department is required to meet in order to bring enforcement action to a school, lender, guaranty agency, or other third party, the Task Force identified areas that we will need to work with you, Chairman Miller, Congressman McKeon and others in order to strengthen the enforcement ability of the Department. I look forward to working with you on these recommendations that put an end to unethical practices, put students' needs first and maintain trust and integrity throughout the system.

On May 1, 2007, Dallas Martin, President of the National Association of Student Financial Aid Administrators (NASFAA), testified during the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness hearing, "Paying for a College Education: Barriers and Solutions for Students and Families". I strongly disagree with Mr. Martin's testimony when he claims that the Department's supposed failure to identify and penalize schools for their inadequate administration of student's financial aid needs has forced schools to seek assistance from lenders, guaranty agencies, and others to print student financial aid consumer information, to perform student loan exit and entrance counseling, to establish call centers, and to provide additional staffing during peak periods in the financial aid office. In fact,

for the past five fiscal years, the Department has issued schools 124 citations and assessments totaling nearly $4.4 million for lack of administrative capability—it is one of the top 10 findings in our school program reviews.

Deceptive Marketing Practices:

On May 2, 2007, this Committee asked the Federal Trade Commission (FTC) to investigate the unfair and deceptive practices that lenders use to market their products and services to students. The Committee made this request of the FTC after it had reviewed examples of lenders' unfair and deceptive marketing letters that use what appear to be official government logos and threatening language. The Department shares the Committee's concern and, in fact, over the past few years, Department staff has been communicating with the FTC staff to share information regarding potentially deceptive marketing materials from a variety of lenders. The Department joins you in calling on the FTC to examine these practices.

Reading First

Five years ago, we worked across party lines and made a commitment to have every child on grade level or above by 2014. Today, No Child Left Behind is working-shining a spotlight on student achievement and building an appetite for further change.

An integral part of this law, the Reading First program is the largest, most effective reading initiative in our nation's history. The latest data show that Reading First is producing sizable gains in fluency and comprehension for nearly two million first, second, and third graders. My Inspector General highlighted where its early implementation was flawed, and I took immediate action to correct those problems.

Let me begin by repeating what I have said since the Department of Education's Inspector General first announced the results of his Reading First investigation. We agree with the majority of the OIG's findings and have accepted all of its recommendations to prevent any future reoccurrence of administrative failures.

Flaws in the early implementation of the program must not sidetrack the good work of a critically important and successful education initiative. We have considerable evidence, including three years of continually improving assessment results, that Reading First is working as intended by Congress by building on the federally funded research base. It is expanding the use of research-based reading instruction in the early grades and significantly improving the reading skills of students in some of our historically low-achieving schools.

In short, Reading First and the students who benefit from it deserve your strong support as Congress moves forward in developing the fiscal year 2008 appropriations act and the reauthorization of No Child Left Behind.

Goals of Reading First

The goal of Reading First was to translate scientific insights into practical tools to be used in classrooms. The Federal research investment supported more than 20 years of research that followed over 44,000 children from age 5 into adulthood. Researchers at the National Institute of Child Health and Development and the Institute of Education Sciences tracked children who could read well, and they tracked others who couldn't read at all. The National Reading Panel looked at this and thousands of other high-quality scientific studies to determine what the research tells us about how children learn to read. When their work was over, our nation had gained evidence-based insights into how children read, why some of them have more trouble reading than others, and what we can do to get all children reading well.

The knowledge gained through the research was embodied in the Reading First Program designed to improve the quality of reading instruction so that all children read at grade level by the end of the third grade. The program pursues this goal through three strategies: (1) providing substantial resources at both the State and local levels for implementation of effective reading instruction in schools; (2) using reading programs and materials that are research-based, combined with high-quality professional development, to ensure that all teachers, including special education teachers, have the necessary skills to teach these researched-based reading programs effectively; and (3) using assessments to help classroom teachers screen for, identify, and overcome barriers to students' ability to read at grade level by the end of third grade.

On the issue of research-based instruction, the statute specifies that instructional methods and materials, as well as related professional development, must incorporate the five essential elements of effective primary-grade reading instruction: (1) phonemic awareness; (2) decoding; (3) vocabulary development; (4) reading fluency, including oral reading skills; and (5) reading comprehension strategies.

The need for implementation of effective strategies and methods of teaching reading is unquestioned. Though we have been pleased to report improvements in read-

ing achievement in the early grades over the past several years, and believe that No Child Left Behind is contributing to that improvement, overall achievement levels remain alarmingly low.

Less than one-third of all 4th-graders scored at the Proficient level or above in reading on the 2005 National Assessment of Educational Progress (NAEP), and results for students in the high-poverty schools that are the focus of the Reading First program were even more discouraging. Just 16 percent of 4th-graders eligible for free or reduced-price lunch scored at the Proficient level or above on the 2005 reading assessment, and more than half (54 percent) scored below the Basic level. The 2005 NAEP reading results also highlighted the continuing achievement gaps among student groups, with the percentages of African-American students (13 percent) and Hispanic students (16 percent) scoring at the Proficient level or above falling far below that of white students (41 percent).

To help close these gaps, the Reading First State Grants program has made awards to all 50 States, and States have made subgrants to approximately 1,550 local school districts that serve an estimated 5,200 participating schools. The statute requires a comprehensive national evaluation of the Reading First program, and the Department produced the first report of that evaluation last summer. The most recent Reading First student achievement data, released in April 2007, indicate that students in Reading First schools have experienced strong gains in reading proficiency. The July 2006 Reading First Implementation Evaluation: Interim Report also found that districts are implementing the major elements of the program, and that Reading First schools are more likely to be implementing the program features called for in the Reading First law than are non-Reading First Title I schools.

Early Results of Reading First

While we do not yet have comprehensive impact data for Reading First, we do have considerable early evidence that the program is working as intended. This evidence comes from the most recent Annual Performance Report data: the Interim Report of the Department's ongoing implementation evaluation; the September 2006 report, Keeping Watch on Reading First, produced by the Center on Education Policy (CEP); and a March 2007 report from the Government Accountability Office (GAO).

New achievement data reported by the States in the Reading First Annual Performance Report show that Reading First students from nearly every grade and subgroup (Hispanic, African-American, students with disabilities, English language learners, and economically disadvantaged) made impressive gains in reading proficiency in 2005 and then again in 2006.

In Reading First schools, the percentage of 1st graders meeting or exceeding proficiency on Reading First fluency outcome measures increased by 14 percentage points (43% to 57%) from 2004 to 2006.

In Reading First schools, the percentage of 3rd graders meeting or exceeding proficiency on Reading First fluency outcome measures increased by 7 percentage points (36% to 43%) from 2004 to 2006.

On average, the 26 States with 2004 baseline data increased the percentage of students meeting or exceeding proficiency on fluency outcome measures by 16% for 1st graders, 14% for 2nd graders, and 15% for 3rd graders.

On average, the 26 States with baseline data increased the percentage of students meeting or exceeding proficiency on comprehension outcome measures by 15% for 1st graders, 6% for 2nd graders, and 12% for 3rd graders.

The Reading First Implementation Evaluation: Interim Report highlighted the following key findings regarding the early implementation of the Reading First State Grants program:

- Reading First schools are implementing the major statutory requirements, including the use of scientifically based reading instruction, increased reading time, interventions for struggling readers, reading assessments, and increased professional development.
- Though non-Reading First Title I schools also emphasized reading instruction, Reading First strategies (that is, strategies that reflect the research on what works in teaching children to read) were used more extensively in Reading First schools than in Title I schools.
- Reading First teachers were significantly more likely than their counterparts in non-Reading First Title I schools to place struggling students in intervention programs.
- Reading First schools were more likely than non-Reading First Title I schools to have a reading coach, and Reading First coaches were more likely to provide teachers with various supports than were coaches in non-Reading First Title I schools.

• Reading First staff received significantly more professional development than did non-Reading First Title I staff.

The changes in Reading First schools suggested by these findings contributed to the Effective rating achieved by Reading First State Grants in the 2006 Program Assessment Rating Tool (PART) process. The PART found that the Reading First program benefited from a strong program design and local management practices that appeared to help bring about improvements in student reading achievement. In particular, based on achievement data submitted by participating States, the PART found gains on all program performance measures for the 2004-2005 school year.

Between 2003-2004 and 2004-2005, the percentage of students who met or exceeded proficiency in reading on Reading First outcome measures of fluency increased:

• from 43% to 50% for first-grade students;
• from 36% to 39% for third-grade students;
• from 33% to 39% for economically disadvantaged second-grade students;
• from 27% to 32% for limited English proficient second-grade students;
• from 34% to 37% for African-American second-grade students;
• from 30% to 39% for Hispanic second-grade students; and
• from 17% to 23% for second-grade students with disabilities.

The number of States reporting an increase in the percentage of students who met or exceeded proficiency in reading on Reading First outcome measures of reading comprehension increased:

• from 2 to 14 for first grade-students (20 States had two years of data);
• from 7 to 19 for third-grade students (23 States);
• from 4 to 14 for economically disadvantaged second-grade students (20 States);
• from 5 to 6 for limited English proficient second-grade students (18 States);
• from 5 to 16 for African-American second-grade students (19 States);
• from 5 to 9 for Hispanic second-grade students (19 States); and
• from 2 to 12 for second-grade students with disabilities (19 States).

These achievement gains are all the more remarkable because the schools served by Reading First are among the lowest-performing schools in the country. The early results highlighted by the PART review suggest that comprehensive implementation of research-based reading instruction can bring about rapid improvement even in some of our worst schools.

The PART data were echoed by the CEP report, Keeping Watch on Reading First, which found that the program was "having a significant impact" on reading instruction in participating districts and schools. In particular, more than 90 percent of the 1,700 districts surveyed by CEP reported that the Reading First instructional program and assessment system were "important" or "very important" causes of gains in student achievement in reading.

Another critical benefit of Reading First cited by the CEP report was the use of Reading First as a school improvement strategy under No Child Left Behind. In part, this reflects the statutory requirement that States use Reading First funds to make available professional development in reading instruction to all schools, and not just those participating in Reading First. About 80 percent of States reported that offering professional development through Reading First was a key strategy for schools identified for improvement under NCLB, and a similar percentage of States said that providing curriculum and assessment materials through Reading First was a key improvement strategy. More importantly, about three-fifths of States reported that these Reading First-based strategies were "moderately or very effective in raising student achievement."

A March 2007 report from the Government Accountability Office (GAO) also indicated that States have reported that there have been a number of changes, as well as improvements, in reading instruction since the implementation of Reading First. According to the report, 69% of all States reported great or very great improvement in reading instruction since inception of Reading First.

Management Issues

My message today is that the senior leadership of the Department of Education shares the widespread public concern about these issues, and has moved decisively and rapidly to respond to the issues raised by the Inspector General. Most significantly, in last year's annual performance and accountability report to Congress and the public, I declared a material weakness for program management at the Department based in large part on the issues raised about the management of the Reading First program. The material weakness does not diminish the significant progress we have made as a Department in improving the management of our programs, but rather reminds us that our work to ensure that our programs are managed to the highest standards is not yet complete. In addition, I have instructed my senior staff

to implement each of the recommendations from the Inspector General's report. More specifically, the Department has already completed more than a 20 action steps in response to those recommendations. These have included:

• Appointing Dr. Joseph Conaty, a well-respected career executive with nearly 20 years of experience at the Department of Education, to manage the program;

• Establishing an intra-Departmental group that meets regularly to help guide the implementation of the program. The group is made up of various officials within the Department, including representatives from the Office of Elementary and Secondary Education, the Office of the General Counsel, and the Office of the Chief Financial Officer;

• Expanding Reading First staff to reduce reliance on outside contractors;

• Providing guidance on ensuring fairness and objectivity in the peer review process in all formula grant programs. This guidance was specific to issues involving conflict of interest;

• Providing additional guidance to contractors and subcontractors to enhance the objectivity and effectiveness of their services, including clarifying conflict-of-interest prohibitions pertaining to the use of peer review panels and private contractors;

• Reviewing all Reading First applications to ensure compliance with funding criteria. This review determined that the majority of State applications had the appropriate documentation. The Department is continuing to work with the additional States to resolve any remaining issues; and

• Conducting outreach to States on potential concerns about Reading First issues. To date, the Department has received 25 letters from States. 16 of those letters said only positive things about the Reading First program. An additional 13 States responded that they either had no concerns or did not intend to write a letter. We remain committed to working with all States to address any concerns they may have about the program.

In addition, the new Reading First program director, together with representatives from the Office of Inspector General and the Office of the General Counsel, delivered a presentation at the end of January to the National Association of State Title I Directors on the "lessons learned" from the IG's findings, including on the implementation of new internal controls designed to ensure the integrity of the grant application process. This presentation also described steps that the Department is taking to ensure that our officials, consistent with the Department of Education Organization Act, do not take actions that could be interpreted as directing or controlling State and local curriculum decisions.

I have also developed a charter for the peer review panel in Reading First that would further strengthen the program's implementation in line with the Federal Advisory Committee Act. This panel would help the Department review issues that arise with State applications for Reading First and evaluate the third-year progress reports from the States. A notice of intent to establish this panel in accordance with the Federal Advisory Committee Act was published in the Federal Register on March 1, 2007.

We believe that these comprehensive actions will help restore public confidence in the Department's ability to fairly and impartially administer the Reading First State Grants program, and allow us to build on the progress that States, school districts, and schools have made under this program in improving reading instruction in the early grades.

I urge the Members of this Committee to look at the entire record, and not just the recent headlines, as you evaluate the progress of Reading First and consider changes during the upcoming budget and reauthorization debates. If you do, I think you will agree that Reading First, with its emphasis on research-based instruction in the critical early years, is one of our best tools to ensure that all students receive a high-quality education, and it that merits your strong support.

I would also like to take this opportunity to thank Congressman McKeon and Congressman Castle for introducing H.R. 1939, the Reading First Improvement Act. This legislation goes a long way toward addressing many of the concerns about the early implementation of Reading First. I look forward to continuing to work with Mr. McKeon, Mr. Castle, and other members of the Committee to strengthen Reading First.

Conclusion

Where the law needs changing, let's do it. And where families need our help, let's provide it. Together, we can enact policies that better prepare more students for college * * * and help make sure they can afford it once they get there!

But together, we can and must do more. From K-12 to higher education, you and I now have an opportunity to enact meaningful new policies that make a real difference for students and families—just as we did 5 years ago.

There's no time to wait. Nearly two-thirds of all high-growth, high-wage jobs created in the next decade will require a college degree-a degree that only one third of Americans have. I stand ready to work with you to make a real difference in the lives of the people we're all here to serve.

Thank you. I would be happy to answer your questions.

Chairman MILLER. Thank you very much for your testimony.

As everyone is aware, the bells have rung, but let us go ahead and begin.

Madam Secretary, I would hope that you would not characterize the concerns that have been raised by this committee, by the Senate committee, by the state attorneys general as peripheral to the program.

The integrity of these programs is absolutely essential to its core, which I think you say elsewhere in your testimony, and the questions that have been raised, the suggestion that somehow this only dealt with private loans and therefore it is sort of out of your jurisdiction, I would like to point out that in many instances these are the same entities making public and private loans in their negotiations and discussions, and that is where we get into trouble sometimes with the institutions of higher education.

And we will all stipulate to your statement that the federal aid has failed to keep up with the soaring cost of education, which therefore makes every one of these dollars and our ability to get them to students and to families even more valuable.

As you point out, the Congress has long had a policy, the law, against inducements, prohibitive inducements, and this issue has been raised for a considerable period of time within the department. To date, with all due respect, the department hasn't actually acted on these with any sense or haste or urgency. And over the last several months, we have seen a number of inducements identified and people have settled or people have paid money or they have said they will never do it again.

But if I could just ask, if I could have your sense of these inducements. We had ones where clearly there were revenue sharing and referral fees paid by lenders to colleges. Do you consider that an acceptable practice?

Secretary SPELLINGS. No, and, Mr. Chairman, this is where I think we really need some changes in law. The hurdle is very high. For me to establish a violation, I must prove a quid pro quo between the——

Chairman MILLER. We will get there. We will get there.

Lenders were offering pools of money for lending—private pools of money for lending in exchange for placement on the preferred lender and exchange for a percentage of the federal loan volume on campus. I assume you don't agree with that as a practice, and that is an inducement. Lenders paying for financial aid officer's trips to resorts and to serve on the "advisory boards."

Secretary SPELLINGS. As I said, Mr. Chairman, I need to clarify what the provisions are around inducements and the——

Chairman MILLER. I understand that.

Lenders paying for supplementing the salaries and school aid officers, I assume you do not find that an acceptable practice. Is that correct?

Secretary SPELLINGS. That is correct.

Chairman MILLER. Financial aid officers holding stock in the lenders that they are recommending to students.

Secretary SPELLINGS. Mr. Chairman, of course I don't find that acceptable, but I have to clarify whose roles and responsibilities are implicated as we discuss those things.

Chairman MILLER. I understand that. Let me get to my point here.

My concern is about the department in the broad sense of the word and the image, that from 2001 guidance was requested and provided to the department about how to deal with this issue. There were complaints from other lenders, there were concerns within the department, and nothing was done with respect to that guidance.

An alert was again provided in August 1 of 2003 and at the end of long protracted discussions with the inspector general, essentially, what you had was the department saying, "We are going to continue to monitor this," until we find the stories coming out of the New York attorney general about actions that were taken there.

I just don't quite understand how if monitoring was the solution that the department chose, how it is that they didn't pick up any of these activities. Again, these were people who were skilled and, as Mr. McKeon pointed out, came from the industry, understood it, and somehow they missed every one of these, even though we now see them almost in every state in the union and across a significant number of colleges and lenders.

Secretary SPELLINGS. Well, Mr. Chairman, it is appropriate that I parse the various issues that you have raised, because there are different enforcement capabilities around a variety of them.

Let me start with Nelnet, the issue that was raised——

Chairman MILLER. Let's just stick with the inducements for a second.

Secretary SPELLINGS. All right. Let's stick with the inducements.

Chairman MILLER. So why is it from 2001 until recently when you started negotiated rulemaking, and that failed; did that alert you to some of the problems around the inducements until your appointment of the task force after this all came to light?

Secretary SPELLINGS. Mr. Chairman, when I became secretary, I immediately began my work on higher education. I have probably been the most active secretary in this policy arena in a very long time. That is why I appointed a commission. But I think we also have to be aware of the interrelated nature of all these things.

As they did their work, it became abundantly clear to me that I needed to initiate a negotiated rulemaking process in the absence of congressional action. It was the first time, except for the Fed Up initiative that Congressman McKeon had precipitated before, that that had been done. And that is why I initiated the process, the 18-month process, and in December of last year began to raise these issues before that negotiated rulemaking group. They failed to reach consensus.

I said that I would take that advice under consultation that they had, that they did not reach consensus on those matters, and that is why I have acted to recommend and to post to the Federal Register these aspects to end this inducement practice.

Now, I also have to say, Mr. Chairman——

Chairman MILLER. With all due respect, Madam Secretary, this isn't about you. It is about the department. It is about the failure of the department over a period of 5 years to deal with the problem that is growing in intensity, growing in its ethical unacceptance and probably in its criminal behavior.

And as we now see, settlement after settlement, all across the country, at no time did anybody in the department think of picking up the phone and telling people, "You have got to stop this. We are going to work on a regulation."

It essentially has gone on to today without an official statement by the department about its unacceptability. That is the point.

Secretary SPELLINGS. Well, Mr. Chairman, I agree in large part with aspects of your point, but I think it is appropriate, and this is one of those a picture is worth a thousand words sorts of instances where I would like to commend you to our little diagram about how oversight of this program works.

Chairman MILLER. I have seen it. I have looked at it.

Secretary SPELLINGS. Now, I want to talk specifically about inducement matters, and that is that the hurdle that must be cleared by the department for us to assert a violation in the SL Program is a quid pro quo relationship between the awarding of a particular loan and the cruise of New York Harbor, for example, so that I must prove a direct relationship between that act and the awarding of the loan. And that is why we need changes in the law.

Chairman MILLER. But with all due respect, the question of whether you can prove that or not and your understanding, and apparently a lot of other people's understanding, as they prosecuted this, is to, at a minimum, its ethical unacceptability. The idea that if you couldn't prove it there, that therefore no action is taken, "We are going to monitor it."

On all of the monitoring, over 5 years, you couldn't make the determination as a department that these practices should have been stopped?

These practices, people were laying out millions of dollars of these inducements. I appreciate that there is not a piece of paper between the University of Indiana and a $3 million grant from Sallie Mae and they drive the Direct Student Loan Program, a federal program off campus. But, you know, when they were caught at it, they pledged to never do it again and paid back the money. You know, when these other people were caught at the cruises and it was brought to light, they paid back the money, they rebated money to students, they swore they would never do it again.

So none of that was about proving it in the court of law. People were caught and the officials showed up at their front door and said, "This practice is unethical and illegal." They didn't say, "Well, take me to the Supreme Court." They were caught, but nobody from the Department of Education showed up at the front door. That is what I don't understand.

Secretary SPELLINGS. And I guess my question would be, did anyone show up from the FTC or the SEC or these other bodies——

Chairman MILLER. But they are not here today, with all due respect.

Secretary SPELLINGS. Well, Mr. Chairman——

Chairman MILLER. This is about your program. Your program is coupled; you can't suggest that this is laid off on the private loan sector. This is coupled with the very same parties. It is convenient to decouple them, but the fact of the matter is, Sallie Mae was offering private pools of money in exchange for an increased federal participation in the loan volume. They were coupled——

Secretary SPELLINGS. Mr. Chairman——

Chairman MILLER [continuing]. And when they were caught, Madam Chairman, when it was suggested that we understood what they were doing, they said they will never do it again.

Other lenders had brought this to the attention of the department.

Secretary SPELLINGS. I agree with you that we need changes in the law to make it more robust with respect to enforcement.

Chairman MILLER. What went wrong?

Secretary SPELLINGS. Mr. Chairman, as you know, and as I have pointed out on this diagram, there are 6,000 institutions. This is a multibillion dollar industry. There are aspects that relate to eligibility and authorities governing the SL Program and others that relate to SL. There are multiple grant programs.

Chairman MILLER. When it was suggested that students would not get a loan they applied for because it was not the lender that the school chose, you issued a, "Dear Colleague." Boom, you stopped the practice.

Secretary SPELLINGS. And I have the authority to do that under current law.

Chairman MILLER. For paying people, for putting people on their payroll, for providing trips and inducements, for taking the federal program off campus for money, there is no "Dear Colleague," there is no letter, there is no phone call that the department, the director of the program, whoever, can make to say, "This is unacceptable"?

Secretary SPELLINGS. We have conducted thousands and thousands of audits of programs over the last several years, obviously.

Chairman MILLER. But, apparently, not related to this.

Secretary SPELLINGS. Well, to the extent that I am charged with implementing a law and enforcing a law that has a very high hurdle to be cleared, then perhaps we need a change in the law.

Chairman MILLER. With all due respect, I cannot accept that answer, because it isn't about the high hurdles to be cleared. It is about whether or not you look at a situation, and, again, other law enforcement looked at the situation, made a determination and the practice ended. Nobody went to the Supreme Court, nobody went over the high hurdle.

It was clear on its face the egregious nature of the inducement, the conflict of interest and the unethical behavior. Nowhere in 5 years of monitoring, which was your—the department's, not yours—the department's accepted practice did anybody make an effort to call a halt to these practices, with all of the audits that you cite in your testimony.

Secretary SPELLINGS. Well, as I said, we monitor these programs vigilantly. There are——

Chairman MILLER. Apparently not, Madam Secretary. I understand what you are saying, and that was what you told the inspec-

tor general, that your choice of enforcement was continuing monitoring. Who was monitoring? Did they have blinders on?

Secretary SPELLINGS. Thousands of audits and——

Chairman MILLER. Not with respect to this problem. I know you have audits and people paid money, and you found problems with the programs all over the campuses.

Secretary SPELLINGS. And fines.

Chairman MILLER. You never found one of these problems, apparently.

Secretary SPELLINGS. Well, to the extent that it was not a violation of the laws that I am charged with overseeing, then, no, we didn't take action.

Chairman MILLER. Well, then you made an assumption, that whether you put people on a cruise to the Caribbean, whether you pay millions of dollars to kick a federal program off campus, whether you provide private money so you can buy a larger share of the Federal Loan Program on a particular campus, you made a decision at the outset that none of that was a violation of the law and it was not worthy of any discussion with the campus, with the college president, with the lending authority or with the loan officer on campus.

Secretary SPELLINGS. Clearly, I was concerned about those practices, and that is why I initiated the rulemaking last fall. But I would say that the ability to try to prove that level of legal burden in such cases was not something that——

Chairman MILLER. I am afraid that has become a crutch. That is sort of like you said it is a high burden on Nelnet, so, therefore, we will let them keep the $300 million and they will give up the—they gave up $1 billion and you said this was too high a burden to think about going to court and the minute you walked in the door they gave $1 billion.

Secretary SPELLINGS. Mr. Chairman——

Chairman MILLER. They must have had a hell of a strong case. They must have said, "Boy, we have got that Department of Education nailed. We have got them so nailed we are going to give up $1 billion." It is just not plausible.

Secretary SPELLINGS. Well, I would like to take a moment and explain the Nelnet settlement, if I may.

Chairman MILLER. We are going to have to decide whether we are going to run and vote. We have 2 minutes.

Secretary SPELLINGS. When you get back.

Chairman MILLER. Yes. With baited breath, we wait for the answer.

Secretary SPELLINGS. Yes, sir.

Chairman MILLER. Thank you, Madam Secretary.

Secretary SPELLINGS. Thank you.

[Recess.]

Chairman MILLER. The committee will come back to order.

Madam Secretary, thank you very much for putting up with the interruption. You are no stranger to the Hill, so you know how this works. But also thank you very much.

The secretary has agreed to stay till 1:30 to allow as many members as possible to have an opportunity to question.

I think I have about 5 minutes left.

Madam Secretary, when we left, I was concerned that the department for a considerable period of time had chosen the alternative in looking at inducements of monitoring, of continuous monitoring of this program and the fact that it did not appear that in all of that monitoring that they became aware of many of the egregious practices that you, I and Mr. McKeon and almost everybody else think were wrong within the program. And I just don't understand why that was the selected practice.

Secretary SPELLINGS. Mr. Chairman, I agree that we have work to do on preferred lenders and inducements, and that is why today I have taken action to post those rules.

As you know, much of this has come to our attention through the attorney general of New York, and, like you, I have read about much of that in the newspaper. Those are things that violate various state deceptive trade practices, laws and so forth, and I do, I think this speaks to an area where we need to strengthen the law and strengthen the ability to have oversight.

As I said before, the threshold is very high for us to prove a direct quid quo pro between the inducement, the group and the actual loan or increase in lending. But is there more to do on inducements? You bet, and that is why I am doing so.

Chairman MILLER. Well, I appreciate that answer, and I welcome those changes, and I think they are important, because I find that more in keeping with the OIG's recommendation where the OIG stated that, "We are looking for the department to take a strong role and provide guidance to the community, not wait and see what the community wants them to say about it." That was in response to the August 1, 2003, guidance.

And I think the OIG had it right, and I think it has been a costly lapse in enforcement by the department to the credibility of this program, because I think it is very clear, when we held our hearings and when we agreed upon the bill, when we talked about the practices, there is an agreement here that these are just unacceptable inside of this program.

And my concern is that it may be a high legal barrier, but I suspect we haven't completely lost a sense of shame, and when you are dealing with marquis universities and marquis public companies, these practices just don't hold up very well in the light of day.

And I think that the Office of the Secretary and the department have got to let these people know that these practices are unacceptable. We will deal with the legalities later, but they have got to be told that this is unacceptable to the ethical standards of the department, to the Congress and certainly to the people who are borrowing money.

Secretary SPELLINGS. I will use what moral suasion I have, but I also——

Chairman MILLER. It is considerable.

Secretary SPELLINGS [continuing]. Want to use the negotiated rulemaking to do something that we can enforce.

Chairman MILLER. No, I understand that. I understand that, and you have been working that process. I am just saying at some point you have got to stop the bleeding. And in this case, I think there is enough moral suasion in the department to stop the bleeding while you go forward with that.

If I can turn, in my remaining time, to the question of the 9.5, the so-called Nelnet issue. There you engaged in the settlement with Nelnet, which ended up, I believe, if I characterize this right, they kept $278 million from past practices, and they forego potential revenue on a continuation of those practices into the future of $800 million over X number of years. Is that a fair statement?

Secretary SPELLINGS. The potentiality for additional costs of the government was nearing $1 billion, yes.

Chairman MILLER. Right. Can you tell us why the settlement in that frame?

Secretary SPELLINGS. Yes, sir, I can. And this is a highly complex part of the law, the 9.5 percent special allowance payment provision. It has not been tested in a court. There are four practices that were brought to bear as part of this. You all closed three of those four in HERA and in the Teacher Taxpayer Protection Act.

Chairman MILLER. Right.

Secretary SPELLINGS. For the record, I will say that the president was very early in observing this practice in January of 2004. In his 2005 budget, he sought to close it and so forth. So that chapter is closed.

With respect to one other practice, the transferring, it was not considered to be unlawful to the extent that they were first and second generation loans.

Chairman MILLER. Right.

Secretary SPELLINGS. My inspector general brought to my attention that that organization was misusing that particular aspect. We, at the Department of Education, had sent, I think, an unclear answer and continued to make payments in the year between Nelnet's request for an answer and subsequent action. And, as such, I believed, and obviously anyone can second guess the legal settlement, that we had significant exposure to this government and significant liability potential for not only this entity but potentially impacting others.

And so that is why, I think, as a matter of prudence, I agreed to end, finally, this practice, settle that lawsuit for approximately $278 million, mitigating it against the nearly $1 billion of additional damage that might have been incurred had we lost that lawsuit. I worked with my inspector general to provide a methodology that would be sound and that could apply about legitimate reimbursements under that, and that is what we have done.

Chairman MILLER. Thank you. And I appreciate that action. Again, I say this not to hold you responsible, but this is a review of the department with respect to enforcement. This 9.5 problem was outlined in 2001 in a department-wide memo saying that, essentially, that these people put together a scheme to extend the life and this exorbitant subsidy at a time of record low interest rates, costing this huge amount of money. And it really isn't until Nelnet comes to light quite later and you deal with that.

But, again, the failure to respond to this, to look at it, to engage with it over 4 years until Nelnet, we paid out a lot of money in those 9.5s.

And, apparently, there were others who were doing the same kind of things. You have sent them a "Dear Colleague." It appears you may have stopped them in their tracks when you said they are

going to have to prove the trail of their right to the 9.5 and you are going to ask for an audit of each one of those.

Again, my concern is that $1 billion is on the table—and there is no question I am second guessing your judgment here—you make a determination there is a very high legal barrier to do this and yet the people who are engaged in the same practice stop the practice when they get a "Dear Colleague."

And Nelnet, as I said before, if it is such an easy case for them, why do they walk away from $1 billion? I mean, if they spent $100 million on lawyers, if it was so easy, they would be in great shape.

Secretary SPELLINGS. Well, that is something we will——

Chairman MILLER. It was a scheme.

Secretary SPELLINGS [continuing]. Obviously we will never know the answer to that of——

Chairman MILLER. That is right. That is my concern.

Secretary SPELLINGS [continuing]. Who would have won a lawsuit in this case. I was concerned that having paid, I think, four or five quarterly payments to that and many other organizations around that, that we had significant legal exposure, and all I could do at the time was all I could do, which was to end definitively once and for all that practice by closing that loophole and applying a methodology broadly across the industry.

Chairman MILLER. Well, I think, as we saw with your "Dear Colleague," that might have stopped Nelnet in their tracks too, and it could have stopped from the department, not necessarily when you were there but either while you were there or your predecessor and could have stopped this hemorrhaging of money that they were not entitled to, that had been brought to their attention.

I have run out of time. I don't think this is the last we are going to hear about it. My understanding is that the Department of Justice is now looking at that audit and we will see where that takes us.

I recognize Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman.

Madam Secretary, I know that you have been at the department now for a little less than 2 years, but we keep talking about before you got there, so I want to go back even a little further than before you got there.

You have been criticized, your administration's been criticized for lack of oversight, but there is really no context for that allegation. In comparison to the Clinton administration, can you tell us how many program reviews and audits were handled by the Federal Student Aid Office during the Clinton administration and the current one?

Secretary SPELLINGS. Mr. Chairman—I mean, Congressman, no, I do not——

Mr. MCKEON. That is okay. [Laughter.]

Secretary SPELLINGS. Pardon me, Mr. Chairman.

Chairman MILLER. I call him a Democrat all the time. You might as well call him chairman. It will balance out over time.

Secretary SPELLINGS. Pardon me, Mr. Chairman.

Well, we have not done any analysis about that, candidly, and I——

Mr. MCKEON. Maybe you could do it for the record as a follow up.

Secretary SPELLINGS. I would be glad to, but my understanding is that it is somewhat in excess of the kind of monitoring, the thousands of monitoring investigations that go on as part of FSA enforcement. We will certainly look at that. I am about going forward.

Mr. MCKEON. I had a follow-up question on that, and maybe I can get that for the record too. Just, kind of, if you could do a comparison between the 6 years that President Bush has been president——

Secretary SPELLINGS. I would be delighted to do that.

Mr. MCKEON [continuing]. And the 8 years and even before that, if we want to go back 20 years, because some of these programs have been around that long.

You have been criticized for not addressing the issue of the 9.5 loans in a timely fashion, an issue that has been around for at least 20 years. We know that the Clinton administration actually increased the number of loans eligible for 9.5 when they published their 1996 "Dear Colleague" letter. But what I want to know is what the Clinton administration did to limit payment on those 9.5 loans.

Secretary SPELLINGS. I am not aware of any action that they took.

Mr. MCKEON. Maybe you could find out, if you could clarify that in the record.

Secretary SPELLINGS. I will.

Mr. MCKEON. Madam Secretary, isn't it true that you personally took this issue on and pushed Congress to enact legislation to limit 9.5 loans when the general counsel at the Department of Education advised you that negotiated rulemaking would be required to change policy, and you realized that such a progress would take longer than getting Congress to act?

Secretary SPELLINGS. Well, I think I would say a couple of things. First, in January of 2004, actually, February of 2004, in the president's 2005 budget, he recommended the closing of this loophole. As I have explained, it is a complicated provision, that there are actually four aspects of this law. And with respect to the one that did not need additional statutory action, we did clarify that through a "Dear Colleague" letter.

Mr. MCKEON. Madam Secretary, you have been criticized for not enforcing the inducement prohibition in the Higher Education Act. We know that the Clinton administration took an action against Sallie Mae, which was decided in Sallie Mae's favor by an administrative law judge in 1996.

For the record, do you know how many other enforcement actions were taken by the Clinton administration with respect to inducements?

Secretary SPELLINGS. I do know that the department lost that case that you mentioned. With respect to other actions that they may have taken, I will tell you that as high as the threshold is, that the hurdle is, we have taken action against some of these inducement issues, and there are some examples of that in my written testimony, with the Dr. Scholl's Podiatric College and various other entities where a direct relationship was proved. But I will

also do analysis of the previous administration and ours about enforcement around those matters.

Mr. McKEON. Madam Secretary, has your administration taken any such action against lenders?

Secretary SPELLINGS. On inducements?

Mr. McKEON. Yes.

Secretary SPELLINGS. Well, as I said, the statutory burden that I have to prove and that is brought to bear by me is a difficult one to prove. However, obviously, all these various other things that are going on with attorneys general around the country and the like are brought to bear under state laws and various other enforcement authorities. So to the extent that that might implicate other lenders, I am not aware.

I do want to say quickly that we have contacted the Attorney General's Office in New York and asked him for all the information that he has found, and he has made one contact with my inspector general's office with respect to personnel matters, but I am very anxious to get what information he has and, as I said in my opening statement, have sent teams to the 44 institutions that we have read about in the paper, and I am anxious to get what information he might have internally.

Mr. McKEON. Madam Secretary, last week, the testimony of Dallas Martin, president of the National Association of Student Financial Aid Administrators, before the Subcommittee on Higher Education, Lifelong Learning and Competitiveness, stated that the department has never fined an institution of higher education for lack of administrative capability and that had the department done so schools would not have accepted help with staffing in the financial aid office or with call centers or brochures.

Do you think that is true? And in light of his testimony, do you plan on fining more schools for lack of administrative capability if someone at the U.S. Department of Education believes the institution needs more staff in the financial aid office?

Secretary SPELLINGS. Well, I would say a couple of things about that. One is, that that is something that we do look at as part of the reviews of the programs, and since 2004, we have assessed citations or fines at 124 different instances of those matters, to the tune of nearly $4.5 million.

However, having said that, I mean, the staffing of universities is not within the purview of the Department of Education, and so while it is something we certainly look with respect to capacity adequately serving students and eligibility for these programs, yes, but in the aggregate of how many people does it take at the University of Texas to run a program, that is certainly in their jurisdiction.

Mr. McKEON. Madam Secretary, did you ever imagine you would be expected to be the ethics police for our nation's colleges?

Secretary SPELLINGS. No, Congressman. I didn't imagine it, and I don't think I am. I think the academy has a role to play here and should. In fact, I have found in some cases the silence to be a little deafening, and I think they can do more internally through codes of conduct at institutions or state legislative policies or higher education governing board policies and those sorts of things. But it would be imponderable for me to be fully aware of the individual

situations of staff and financial aid officers and more than 6,000 different colleges and universities in this country.

Mr. McKEON. Are you surprised that our colleges have not been addressing the ethics issues that have been written about in the press?

Secretary SPELLINGS. Well, I think I am encouraged when I see that when it is called to their attention they have gone to work. Obviously, it is not in their interest to have a lack of credibility and lack of confidence around their good reputations. And so I think they have sprung into action in those isolated cases.

I do think they can do more. I think there can be codes of conduct put in place and so forth, and I will urge them to do so.

Mr. McKEON. I said in my opening statement that I hope that what we could get out of this kind of a hearing is a chance for us to work together to get action to stop bad acts that have taken place and move forward together. Because, really, all of us should be focused on what is best for the young people or sometimes not so young people in our nation that are trying to get an education to better themselves to achieve the American dream. That should be our focus, in my view, not to play gotcha with things that have happened in the past, unless we use it as a learning thing to move forward.

I really am concerned that some of the things that have been written, some of the things that have been said, even some of the things that have happened in hearings here tend to paint a bad light on 6,000 schools when it may be just a very small number of those that are really doing things they shouldn't be doing. The same with the number of lenders. Yes, the ones that are out of line, that are doing things that are violating the things that the chairman talked about that we all agree on, those should be taken care of. And the bill, I think, that we passed yesterday in the House moves to help that.

Yesterday, the New York Times quoted Terry Hartle, a former Kennedy staffer and current senior vice president of the American Council of Education, as saying many of the problems that have come to light had not been considered a problem before. Lots of things that were seen as acceptable 3 months ago are no longer regarded that way.

Why do you think that is? Are things really as bad as the press would like us to think or is this political theatrics?

Secretary SPELLINGS. Well, Congressman, I will let others be the judge of that, but I do think what is, kind of, a teachable moment out of all of this is that we have learned there is major room for improvement in all of this, and I do think that there has been some service in that.

I do think, in light of your comment previous to that as well as the one you just made is, that it is hard enough to get kids qualified and interested and unintimidated enough with accessing higher education in the first place. And we need to do all we can to provide a lot of confidence and a lot of sense of security around that process.

And we must understand, kind of, the macro level policy picture here, which is not just about a special allowance payment but how all of this fits together for kids, how easy it is, how early it is, how

rich the package of benefits are with respect to the level of a Pell Grant or whatever, transparency about choosing an institution, issues about quality.

I mean, I think there is a whole lot of grist for the mill here, and I think it would be a missed opportunity if we only jumped on just one narrow aspect. And I hope we won't, and I know we won't, and I really commend you all for the step you took yesterday.

Mr. MCKEON. I have one final question, and then I want to yield time to Mr. Keller, the ranking member on the subcommittee.

One of the concerns that I have had is that people that are giving up their time, they could be working in private industry, but they come to work for the government, not so much out of how much money they could make or how much power they can enjoy but out of a dedication really to serve.

Madam Secretary, I see from the press that your chief operating officer, Terri Shaw, just resigned, although I understand from your announcement she told you back in February that she intended to resign. Yesterday, The Washington Post quoted Michael Dannenberg, a former Kennedy staffer and longtime critic of the FFEL Program of saying, "Her tenure has been characterized by lack of oversight and negligent administration of the Student Loan Program."

And even Senator Obama felt compelled to comment and implied that Mrs. Shaw was more interested in helping banks than students.

Would you care to react to that statement?

Secretary SPELLINGS. I would, and I want to thank Terri publicly for her service these last 5 years as the head of this performance-based organization, the FSA. She is not a political appointee, is not confirmed by the Senate, serves in that capacity of one of three performance-based organizations.

She did come to me earlier this year—her term is expiring this summer—and indicated her desire to leave somewhat short of that for personal and family reasons.

She has had a major hand in seeing this organization removed from the high risk status that they were under for years and years. You all will remember the stolen credit card—I mean, the stolen computers and the credit cards and on and on and on, the 61-inch television purchased, et cetera, as well as these five clean audits.

And I think she has given good service to this government. I look forward to finding a strong manager and someone with expertise to replace her, and we will work hard to do that quickly so we can all get about this business of making sure this program is one of great integrity.

Mr. MCKEON. Thank you very much.

Mr. Chairman, I would like to yield time now to Mr. Keller.

Mr. KELLER. I thank the gentleman from California for yielding.

And I thank you for being here, Madam Secretary.

I am going to ask you a series of specific questions, but to put it in perspective, I think there is some confusion that I read about in the news media about the $85 billion student lending industry. In reality, about $60 billion of that is the Federal Stafford Student Loans, which is roughly 70 percent of the $85 billion. And a much smaller percentage are these alternative private loans, which are

not federal loans guaranteed under Title IV of the Higher Education Act.

The principal and almost exclusive focus of the New York Attorney General Cuomo was on these alternative private loans, which aren't governed by the Higher Education Act.

And when he was here, he talked about students being hurt, and I asked him specifically, "Do you have any evidence of any student receiving a federal loan under title IV being hurt as a result of paying a higher interest rate or higher origination fee than the federal law allows," and he said, no, he didn't have any of that.

He did say that there were one or two schools that only had one FFEL lender and he hoped that they would have more. I think we can all agree on that. But even then no evidence anyone was hurt.

So with that as background, let me ask you a few questions. As a U.S. secretary of education, do you have jurisdiction to conduct oversight and regulation of these alternative private loans which aren't federal loans guaranteed under title IV of the Higher Education Act?

Secretary SPELLINGS. No, sir, I don't.

Mr. KELLER. Okay. And you cannot, on your own, even if you wanted to, go out today and promulgate a bunch of regulations which essentially say that you want to apply the Higher Education Act anti-inducement provision to these private alternative consumer credit loans because you don't have that legal authority. Is that correct?

Secretary SPELLINGS. That is correct, but I do think it is appropriate that as a member of the president's cabinet, and I have said today that I intend to work with the chairs of the SEC, the FTC, the FDIC, among others, to make sure that we have a system of integrity throughout the government.

Mr. KELLER. Right. And, in fact, you know that we passed the Sunshine Student Loan Act yesterday by an overwhelming margin, which would, for the first time, give you some oversight over some of these loans. For example, you would, for the first time, be able to issue a fine of $25,000 to colleges or non-federal lenders which have violated the provisions of that law. Are you familiar with that?

Secretary SPELLINGS. Yes, sir.

Mr. KELLER. But as of this date, you don't have that authority, obviously, because we haven't passed it through the Senate, and it hasn't been signed into law by the president, correct?

Secretary SPELLINGS. That is correct.

Mr. KELLER. So with that as background, I was somewhat perplexed at the testimony on April 25 from New York Attorney General Andrew Cuomo, who said, "The U.S. Department of Education has been asleep at the switch. The entity charged with maintaining the integrity of the student loan market failed. The failure of the department to pass adequate regulations is disappointing and irresponsible."

Prior to that testimony by the attorney general from New York, Cuomo, on April 25, did he ever call you and say, "Hey, Margaret Spellings, this is your fellow former cabinet member here, and I just want you to know that I think you have been asleep at the switch as head of the U.S. Department of Education"?

Secretary SPELLINGS. No, sir, he didn't. And as I have said, his office had one contact with one individual in my inspector general's office around a personnel matter only, which is the subject of an inspector general investigation. But that is the only contact we have had. We have sent letters, made calls and received late last night a letter from his deputy.

Mr. KELLER. And prior to that April 25 hearing, Attorney General Cuomo never called you to say that you have failed to maintain the integrity of the student loan department?

Secretary SPELLINGS. No, sir, he has not.

Mr. KELLER. Prior to April 25, he never called you and said that he is disappointed in you and you have been irresponsible as head of the Department of Education?

Secretary SPELLINGS. No, sir, he has not.

Mr. KELLER. Now, after that appearance, he then went out and had a press conference on April 25 and issued a press release, which I have here, dated April 25, entitled, "Cuomo Testifies Before House Education Committee on Student Loan Industry. Cuomo says Department of Education Asleep at the Switch." And then he goes through in three separate times here says that your department has been asleep at the switch. "I am not quick to criticize, but I believe in this case the Department of Education has been asleep at the switch."

Since that press conference and this press release on April 25, has Attorney General Cuomo ever called you to have any discussions with you about improvements you can make?

Secretary SPELLINGS. No, sir, he has not.

Mr. KELLER. Okay. Well, I have had a chance to look at the record, as you might imagine here, and I can tell you from reviewing it that the U.S. Department of Education under your leadership has a far better record of oversight than existing during the Clinton administration. And I could give you several examples but I am limited on time so I will just give you one to start with.

Ever since you have been in charge of the Department of Education, the GAO has removed the Student Financial Aid Office from their high risk list for programs which are at risk of waste, fraud and abuse. The Department of Education under the Clinton administration in 1992 to 2000 was on that list consistently.

And since Attorney General Cuomo was so critical of you as a cabinet secretary, I thought, well, let me just take a look at his record. And then I saw that he was the secretary of HUD from January 1997 to January 2001 and guess what? The GAO put his entire department on the high risk list for waste, fraud and abuse.

So I guess the moral of this story is that people who live in glass HUD houses probably shouldn't being throwing stones.

Let me ask you a little bit about the direct lending versus FFEL. Would you agree with me that there is room for the existence and healthy competition for both of these programs, direct lending and FFEL, because they improve together customer service and lower costs for students and taxpayers?

Secretary SPELLINGS. I absolutely would, and I think we have a lot of good arguments that would show support for that. Lots of consumer choice.

Mr. KELLER. Since I have laid out some of the criticisms, let me just ask you, do you feel that you have been guilty of lax oversight or you have somehow been asleep at the switch?

Secretary SPELLINGS. No, sir, I don't. In fact, some have said I am the most active secretary of education in these higher ed matters that has been seen for a long time.

Mr. KELLER. Okay. I believe Congressman McKeon's time has expired but——

Chairman MILLER. The gentleman's time has expired. Mr. McKeon's time has expired.

Mr. Kildee?

Mr. KILDEE. Yes, sir. I yield 30 seconds to Chairman Miller.

Chairman MILLER. Well, since the defense of Clinton made me do it, I thought we would enter Mr. Clinton's 2001 budget where he also asked for the repeal of the 9.5.

And the question of whether or not the beat goes on, again, Cuomo announced that he has entered into a cooperative agreement today with CIT and Student Loan Xpress where they have agreed to join him in the investigation of those two entities on a cooperative basis of Student Loan Xpress and of Matteo Fontana, the Department of Education official who received stock and other benefits from Student Loan Xpress.

Mr. Kildee?

Mr. KILDEE. Thank you, Mr. Chairman.

Madam Secretary, greed is a vice that every human institution has to guard against, including the Congress itself, obviously. The problem with the student loans and the Reading First really are worded in greed. And vigilance is a great guardian against greed. We read in scripture, who will watch the watchman?

One would hope that someone decides the inspector general would be vigilant. Oversight within a department really has to come from the top down. There are only two people involved in the day-to-day administration of the Reading First Program, and most of the work was contracted out by the department.

Why did the department fail to provide the appropriate resources to this very vital program, which distributes roughly $1 billion per year? And what has the department done to ensure sufficient resources are now being devoted to Reading First?

Secretary SPELLINGS. Well, Congressman, I think the Reading First Program is one of the hallmark accomplishments of No Child Left Behind and it has caused great improvement in reading instruction for kids. It is a national program. The contracted efforts largely have centered around regional technical assistance to make sure that users in states and districts have access to guidance and technical assistance as they have implemented that program.

It was certainly something that we did with expertise from throughout the country and in the field.

Mr. KILDEE. But I think that within the department there was a big change. You had two people really in a day-by-day basis watching it. Within the department the vigilance has to be there, and when the inspector general uncovers these things and the inspector general tells us that matters were such that he had referred much of this problem or some of this problem to the Justice

Department, that is indicative that there could have been greater vigilance.

Secretary SPELLINGS. Well, I certainly agree that there is much room for improvement in the oversight of that program. That is why I adopted every single aspect of his inspector general's report. I have worked hard to put changes in place, including making personnel changes, instituting training programs for my staff, safeguarding the peer review process, reaching out to states and on and on. I do think improvements can and should be made. I think it is obviously very detrimental to a very effective program when that sort of thing is called into question.

Mr. KILDEE. Within your department have you asked yourself, who is watching the watchman? There has to be a system. It is great to have an inspector general, we have inspector generals for our departments, but when it reaches that level and we find some problems there, there has been some problems above that, what structurally have you done to try to avoid those problems in the future?

Secretary SPELLINGS. Well, I have increased the staff from two, that you mentioned, to seven people who work as part of the embrace of the inspector general's work. I can tell you at the time, this early implementation happened, kind of, in the 2002-2003 timeframe. Obviously, Secretary Paige was at the helm. There was a deputy, there was a person who was in charge of elementary and secondary education and then Mr. Doherty, who was here before you a few weeks ago, who managed the program.

Mr. KILDEE. Well, I appreciate what you are doing and I really—wherever there is money and wherever there are people we have to say guard against greed, because greed is the root of all these things. And I think that your department, you are entrusted with an enormous amount of taxpayer dollars for programs that are very, very important. And No Child Left Behind Reading First is such an important element.

Secretary SPELLINGS. Absolutely.

Mr. KILDEE. So I commend you for increasing the number of two to seven, but I think you have to help breed an increasing culture within the department to watch for these possibilities where greed leads to the loss of taxpayer dollars and a weakening of the program.

Secretary SPELLINGS. I certainly intend to do that, and no one is hurt more by that lack of confidence than me and my department and the senior management of it and then specifically, kind of, a lack of confidence and the ability to invest in these very effective programs. And I regret that.

Mr. KILDEE. Thank you, Madam Secretary.

Mr. KELLER. I thank the gentleman for yielding.

I started to ask you, Madam Secretary, if you felt that you have done a good job with oversight and I believe you said you think you have done a good job with oversight?

Secretary SPELLINGS. Yes, sir.

Mr. KELLER. Isn't it true that you guys have under your leadership already started performing on-site reviews at 44 different colleges with respect to 26 separate lenders relating to the anti-inducement provisions of the Higher Education Act?

Secretary SPELLINGS. Yes, we have. I mentioned that in my opening statement, and I would be anxious to get whatever internal information General Cuomo has that might aid our work in that regard. But we have sent teams to every single one of those institutions, yes.

Mr. KELLER. Well, I hope you now get a call from Attorney General Cuomo.

Secretary SPELLINGS. With your help.

Mr. KELLER. I know the press release that I read was one of 15 press releases that he has issued only since February 1 on the student loan issue, so I know he has got some free time. I hope he picks up the phone and calls you.

Let me then ask you about some of this allegation of being too close with some of the FFEL lenders, because some of the people who used to work in the lending industry now work at the Department of Education, and some people are upset about that, which to me is like saying if you used to be a farmer and you know what you are talking about, you are not allowed to go to work at the Department of Agriculture.

So with that said, isn't it true that during the Clinton administration that you had some senior former student lending executives, like Barry Morrow with Sallie Mae and John Reeves as president of a large lender called Educaid who went on and worked in the Clinton administration student loan department?

Secretary SPELLINGS. Yes, sir. There obviously have been people from various organizations that have served at the Department of Education in this administration and the one previous.

Mr. KELLER. Okay. And in terms of cracking down, I know you had one instance where you put an employee on administrative leave when you learned that they had certain stock by a lender, and some people might want to inquire, "Hey, why didn't you just fire that person?" Isn't it true that in reality that person actually had acquired that stock well before even joining the Department of Education?

Secretary SPELLINGS. Yes. And, obviously, we count on—I mean, the burden is on the individual, as it is on all of us, to complete the 278 form to be accurate and honest in the reflection of what holdings they have.

And to the extent that Mr. Fontana did not meet that standard, I have asked the inspector general to review that case and have in the meantime put him on administrative leave. Obviously, we live in a country where you are innocent until proven guilty, and I will be glad to report back to this committee about what the inspector general finds.

Mr. KELLER. Okay. Thank you.

Let me walk through some of the provisions of the Sunshine Student Loan Act, and the reason I want to is I know your task force hasn't reached a final consensus, and so I want to see how comfortable you are with what we have agreed to here.

First, with respect to preferred lenders, under the Sunshine Student Loan Act, it says you can still have a preferred lender list, but you have to have at least three FFEL lenders and you have to explain why they were selected and why it benefits the students.

That is something pretty consistent with your task force recommendations. Are you comfortable with that provision?

Secretary SPELLINGS. Absolutely. In fact, in my statement, I said that I am moving forward and will post those in the Federal Register very shortly, and they will become effective in November.

Mr. KELLER. Great. Also, the Sunshine Student Loan Act provides a code of conduct which essentially says there can be no conflicts of interests, gifts or revenue sharing between lenders and the colleges or their employees. Are you comfortable with that language as well?

Secretary SPELLINGS. Yes, sir.

Mr. KELLER. Okay. Some people, in light of the somewhat unrelated scandal up in New York, have said that, well, maybe we should just completely abolish the preferred lender list and do away with it, and I want to ask you about that.

I am concerned about that approach, because if you are an 18-year-old freshman in college, the preferred lender list really creates order out of chaos. There are over 1,000 lenders, and some of these lenders provide very low interest rates, low origination fees, are very flexible when you want to defer payments and have great customer service. Other lenders may have higher rates and fees, bad customer service and could be characterized as somewhat fly by night operations.

So as long as the preferred lender list is done right, I think it is a pretty good idea sometimes to have a financial aid administrator who has been doing that job for 2 or 3 decades to be able to give these 18-year-olds some advice on, "Here are four or five lenders that we think are pretty good." Would you agree with that assessment?

Secretary SPELLINGS. Absolutely agree with you.

Mr. KELLER. Okay.

I am sorry, my time has expired, Mr. Chairman.

Chairman MILLER. Mr. Andrews?

Mr. ANDREWS. Thank you.

I thank the secretary for her testimony.

Madam Secretary, you were confirmed in the first quarter of 2005; is that right?

Secretary SPELLINGS. That is correct.

Mr. ANDREWS. And when you were confirmed, was Ms. Shaw the chief operating officer of the student aid operation?

Secretary SPELLINGS. Yes, she was. She is in a 5-year term, which will expire this summer.

Mr. ANDREWS. I assume that you met with her when you first came aboard and did you ask her were there any outstanding audit issues or problems with her area?

Secretary SPELLINGS. In January of 2005, we had just been removed from the high risk list——

Mr. ANDREWS. Right.

Secretary SPELLINGS [continuing]. Which she had worked very hard to do, so I was very encouraged by that then recent event. But, certainly, I asked her about the work of her operation, as you would expect me to as a manager.

Mr. ANDREWS. Did she indicate that there were any outstanding issues from the inspector general of the department?

Secretary SPELLINGS. I don't remember that we talked specifically about individual aspects of particular ongoing inspector general reports, but, certainly, those have since come to my attention, and I do talk with her about it. Whether I did it in January 2005, in the first quarter, I can't recall.

Mr. ANDREWS. Okay. On August 1 of 2003, Cathy Lewis, assistant inspector general of the department, sent a memo to Sally Stroup, called an alert memorandum, and I am going to quote from that.

It talks about a review that had been done and it says, "Our review," meaning the IG of your department, "concluded that there are bargaining practices between schools and lenders for FFEL preferred loan status and private loan volume that should be addressed through statutory and regulatory changes or further department guidance. Given the current marketing practices by schools and lenders, the department should examine the roles and responsibilities of schools as well as lenders and lender affiliates in the inducement issue."

Between your tenure, beginning in the first quarter of 2005 and January of 2007, did you take any actions at all in response to that report from the inspector general?

Secretary SPELLINGS. Well, yes, Congressman, absolutely. And my inspector general at FSA, there are many, many technical things, much of which has been worked through to the satisfaction of the inspector general, and some of those remain open.

Mr. ANDREWS. So what did you do prior to January of 2007 about this report?

Secretary SPELLINGS. Well, I give to you a lengthy list of the various steps that have been taken around particular issues. As I have said, some of those have been reached to the satisfaction of the inspector general and some of have not, and we continue to work on those.

Mr. ANDREWS. Well, let me ask you specifically——

Secretary SPELLINGS. But also may I mention quickly that——

Mr. ANDREWS. Yes.

Secretary SPELLINGS [continuing]. The negotiated rulemaking, of course, that we initiated last August is an important thing to call attention to, and certainly we put specific language on the table, in December, for the negotiators to consider——

Mr. ANDREWS. Did you assign any of the investigators or analysts from the department to do the examination the inspector general asked you to? Did you send them out to look at schools or lenders to see if these inducement payments were taking place?

Secretary SPELLINGS. We have thousands of monitoring visits that occur from year to year. Some of them are in the arena of inducements. You have heard me get asked about administrative capacity and staffing, among other things.

Mr. ANDREWS. I understand that, but you have a specific recommendation from your inspector general that dates back to August 1 of 2003 when you were not there, when you were not there, that says that the specific problem of inducements in the bargaining practices between schools and lenders should be looked at.

I am asking you to submit to the committee anything that you have, any document, any e-mail, any documentary evidence which

shows what the department did in response to that specific report of August 1, 2003. Because I see a flurry of activity starting in January 2007 when this becomes a public issue. But I am specifically wondering, did you meet with Ms. Shaw and talk about this issue prior to January of 2007?

Secretary SPELLINGS. I spoke with her about many things, including inducements, in the entire operation. I will certainly provide that analysis to you, but I have three examples—April 2004, March of 2006 and April of 2007—about three specific issues related to impermissible inducements.

Mr. ANDREWS. Okay. So what did you do in April of 2004?

Secretary SPELLINGS. Marketing practices that U.S. Bank National Association violated anti-inducement provisions of the HEA. The bank was required to cease those practices, prohibited from making payments, required to obtain the pending applications from the borrower.

Mr. ANDREWS. So it sounds like you did have authority to do something about it. How many of those enforcement actions did you direct the department to conduct between January of 2005 and January of 2007?

Secretary SPELLINGS. I don't have a specific number off the top of my head. I will get that for you. As I said, these are cases where that very high hurdle, that very strong threshold has been cleared.

Mr. ANDREWS. I understand. My time has expired.

I would just, Mr. Chairman, make the comment that perhaps Mr. Cuomo came in and filled a vacuum that existed before this happened, and I would be curious to see whether the vacuum existed or not, and I am sure the secretary will show us.

Secretary SPELLINGS. Thank you, Congressman.

Chairman MILLER. Mr. Castle?

Mr. CASTLE. Thank you, Mr. Chairman.

Madam Secretary, I have a lot of respect for you and the job that you have done, but obviously there are some problems here, and one of my concerns is how can we resolve some of these issues as far as the future is concerned.

I am looking at the president's fiscal year 2008 budget request, and in it he has some reductions in a variety of categories—special allowance lender insurance, exceptional performer, lender paid origination fee, collection retention, et cetera.

I assume this was prepared with consultation with your department and that you are in favor of all of these changes; is that correct?

Secretary SPELLINGS. Yes, that is right.

Mr. CASTLE. Are you also in favor of all of the changes in the bipartisan Student Loan Sunshine Act, which was the bill we passed yesterday, in case you don't recognize the name?

Secretary SPELLINGS. I do recognize the name, and I think it is a great step in the right direction, Congressman.

Mr. CASTLE. Yes. I actually do too, and I congratulate the chairman and the ranking member for their good work as far as that is concerned.

I will tell you my problem with all of this: I mean, I don't like the lending problems, I don't like the conflicts we have heard about——

Secretary SPELLINGS. Me neither.

Mr. CASTLE [continuing]. Either within or without the department. All these things concern me a great deal.

I have been on this committee for a while now, and to me it is very confusing to really be able to follow the bouncing ball with all these different programs. You indicated, I think, there are 20 programs which aid students earlier, and you indicated there are layers and layers of inefficiencies. And you also said that you are convening chairs to end student abuse and I know you have had some things going on with respect to that.

Don't we need a big bang solution here? I mean, do we have too much out there in terms of the offerings? I mean, I am just really surprised at all the different methods by which a private lending institution can make money in this.

I mean, I think even I could put together a lending institution and make money on it with these provisions. Not that anybody would be dumb enough to borrow from me, but it just seems to me that there are a lot of problems with respect to that. There is a lot of conflict with the Direct Lending Program versus using the private banks.

Should we be doing something different to make it simpler? I mean, I am all for transparency, I think it is highly important, and choice, but is it just such a complicated system that we have put together that it just doesn't work well for the students and their families?

Secretary SPELLINGS. I think, absolutely, and I think the student is the one that suffers. You have seen my picture over here of all the various aspects here, the various grants, the various loans, and then on top of whatever state aid there is or institutional aid. So it is highly complex and confusing.

I have fairly recently issued an RFP to take a look at a more comprehensive system of streamlining how that might work, just as a matter of good policy and sound management, but I do, I think it is very, very complex for the borrower and subject to abuse, particularly in a time of rapidly increasing costs, which is much and much less covered by federal grants.

Mr. CASTLE. Well, I would hope in all this, I mean, I hope we would really push on simplification, which I hope would reduce bureaucracy, inefficiency and then reduce some of the costs of all of this, particularly to the consumer, so, ultimately, we could have lower interest rates, which are guaranteed after all, but lower interest rates being paid by these students and by their families.

But let me change subjects for a moment here. You mentioned in your opening that I think in the last 25 years the cost of college has gone up 400 percent.

Secretary SPELLINGS. Four hundred percent.

Mr. CASTLE. Which is far above the cost of living. And I don't know what that would be on a compounded basis, but it would be 14 or 15 percent or something of that nature, which to me is astounding. And I have talked about this before, but I have never really been satisfied with it. And it just seems to me that you have the bully pulpit, we have the bully pulpit, the president has a bully pulpit, that this is more than just problems in the lending industry.

And I would hope that as part of this overall problem of simplification and trying to deal with the lending practices, that we could also try to work on holding down the costs of higher education and use these bully pulpits to make sure they understand that they have got to keep their cost reductions in line, at least with the cost of living, if not less.

Is anything happening along those lines at this time?

Secretary SPELLINGS. Yes, and I think, absolutely, use the bully pulpit, but I think we ought to do more, and I think a big first step, a great first step is more transparency. The president asked for $25 million to start doing some pilot programs about better data and information systems so that parents can be confident when they look at information in the IPEDS database about completion rates, about post-graduate employment and things like that that might be brought to bear for more effective, more prudent consumers.

In addition to that, we have asked for resources and some of this is going on in the field, and I appreciate that leadership. As to the value added by the learning experience, after a mom or dad spends hundreds of thousands of dollars for an education, is their kid coming back home to live with them or did they actually know how to think, cipher, write, compute and so forth that is going to be necessary for the workforce.

So I think we have to have a lot more information, and I think that will be a good first step in helping get a handle on some of these cost issues.

Mr. CASTLE. Thank you, Madam Secretary.

Thank you, Mr. Chairman. I yield back.

Chairman MILLER. Mr. Hinojosa? The gentleman is recognized for 5 minutes.

Mr. HINOJOSA. Thank you, Mr. Chairman.

Madam Secretary, the actions that you have reported taking for the Reading First will primarily address the future management and the operations of that program. However, the current impact of the conflicts of interest and the inappropriate involvement in curriculum by the department and its contractors has not been addressed.

What affirmative steps will your department take to inform the states that were coerced into using certain products that they may have the option of expanding or modifying their Reading First Program to incorporate other tools and materials that are research-based?

Secretary SPELLINGS. In the aftermath of the inspector general's report, which I told you I embrace completely, at his suggestion, and I certainly heeded it, had engaged with each and every single state in our country about areas where they found problems or recommended improvements, and we have done that. And I am pleased to report that the vast majority of states and school people are highly supportive of Reading First.

Can we make improvements? Should we make improvements with respect to subcontractor relationships, as has been brought to bear by the investigation yesterday? Yes, we can and we should.

But I also want to put in the context that this is a state program. We fund states who then, in turn, make decisions as to local school districts about curriculum products that are purchases by them or

by the state. It is usually by the school district. And so I am not sure yet, and certainly intend to look at very carefully, about particular ethical violations that might have occurred in that context. But if it has, I certainly intend to take strong action about it.

Mr. HINOJOSA. So will you ask and inquire as to see what individuals in different states, such as my state of Texas, did things that were unethical and that were not under your instructions? And if so, what actions are you going to take to penalize them?

Secretary SPELLINGS. The allegations that have been brought to our attention have to do with the potential conflicts of those who were offering technical assistance in a regional sense, and I intend to investigate those. I do not have evidence as of yet that there has been any violation or misdeed by any state official with respect to that. In fact, this law builds in a lot of authority for states to make curriculum decisions and purchase products as they see fit, and they have across the gamut of various products and programs.

Mr. HINOJOSA. I want to now go to the student loans. This administration focused on culture of accountability for state education agencies, school districts and now colleges and universities. However, when it came to enforcing and regulating against prohibited inducements, your department's preference was to have the lending community police itself. Why this double standard, and who should be held accountable in the administration for failing to curb these abuses?

Secretary SPELLINGS. Congressman, I would disagree with your assessment that we let the lending community police itself. We have conducted thousands and thousands of reviews and program audits. We have assessed fines. We have sanctioned and cited various violations, including the three that I just mentioned to Congressman Andrews about inducements.

Can we do more, should we do more? You bet. I am an accountability-oriented person, and that certainly applies to the student loan business as well.

Mr. HINOJOSA. Well, on this question, we will just have to agree to disagree, because there is too much evidence of wrongdoing.

Now, I will ask you another question on the use of private loans. Private student loans have become a larger percentage of the new loans over the last few years. Do you believe this is and should be a concern, and should they be allowed to flourish unregulated in this current environment?

Secretary SPELLINGS. Well, I do agree that, as I said, in this sort of complicated process as the Pell Grant has failed to keep up with the very rapidly increasing cost of college, there has come to be more reliance on the private loan sector. Those loans are not overseen by me and my department but by other regulators—the FTC, SEC, Federal Reserve and on and on—as well as state attorneys general as part of their deceptive trade practices or whatever banking laws and consumer loan laws might apply in those particular cases.

Mr. HINOJOSA. Your chart indicates that it has about $16 billion worth of business——

Secretary SPELLINGS. That is correct.

Mr. HINOJOSA [continuing]. And growing very rapidly. So it seems to me that if your department doesn't have authority and

oversight and our committee doesn't either, then there will be another committee, Financial Services, that could certainly look into this and take whatever action necessary to regulate them.

Secretary SPELLINGS. I hope they will. As well, I said I would convene my colleagues from those various other agencies, and you all certainly took some steps yesterday in the passage of the law that Congressman Miller authored.

Mr. HINOJOSA. I yield back.

Secretary SPELLINGS. Mr. Fortuno?

Mr. FORTUNO. Thank you, Chairman Miller.

And thank you, Madam Secretary, for being here with us today. I appreciate, certainly, you taking the time to address very important issues as to the laws in Reading First. However, as the only congressman from Puerto Rico, I will try to bring it closer to home, if I may, certainly as it relates to Reading First and related programs in my district, in Puerto Rico.

I am very concerned with the chronic mismanagement within the Puerto Rico Department of Education, and my concern is that over 575,000 American citizens who attend the public school system in Puerto Rico are being shortchanged while very few in San Juan and Washington seem to care about their fate and the improper use of taxpayers' money by the Puerto Rico Department of Education.

Time and time again I have raised before this committee and your staff clear evidence that the Puerto Rico Department of Education is underperforming. I must have a parentheses here. I must commend Julia Phillips from your congressional relations staff. She has tried really hard, and we will keep trying really hard, and that is what I am trying to get to.

But let me give you some examples. First, there exists clear evidence that the Puerto Rico Department of Education is not complying with AYP requirements. This past March, your department sent two letters to the department down there detailing violations of NCLB's AYP requirements and stated they will withhold over $800,000 as administrative fees in punishment. Clearly, the Puerto Rico Department of Education is not meeting NCLB standards in this case. Actually, less than half of the public schools there are meeting it.

Are you aware, Madam Secretary, that—and I would like to certainly have some questions to be answered at the end in writing, ideally—that of all jurisdictions within our nation, Puerto Rico Department of Education sends the most funds back to Washington annually? In the past 2 years, the department has returned over $35 million in federal funding to the U.S. Treasury due to mismanagement.

Additionally, the department at the state level has consistently ignored the needs of our special education students. In March 21 of this year, the Education and Labor Committee hearing here, I shared letters with Chairman Miller and Ranking Member McKeon from Ms. Maria Miranda, who is the director of the Technical Assistance Program at the University of Puerto Rico, and Mr. Alpidio Rolon, who chairs the Puerto Rico chapter of the American Federation of the Blind.

In his letter, Mr. Rolon wrote, "The Department of Education"—he is talking about the Puerto Rico Department of Education—"states that 29 blind students out of 439 received brail books during 2006-2007, clearly, failing their responsibility to the students with special needs."

Puerto Rico is also the only jurisdiction in the nation not to participate in the Reading First Program, believe it or not, a key NCLB program designed to assist students attending K through third grade. Puerto Rico is standing to lose more than $207 million in federal funding due to both their refusal to comply with federal guidelines and repeated failure to submit successful applications.

And, finally, the recent NAEP scores are dismal. NAEP results also show that the majority of students in Puerto Rico fall short of demonstrating basic achievement in math, which indicates partial mastery of the knowledge and skills needed for proficiencies in the subject. Only 9 percent of fourth graders and 4 percent of eighth graders reach basic level. Less than 1 percent of students reach the proficient or advanced levels of achievement. These are among the lowest scores in the nation.

Madam Secretary, I have three questions for your, and I would rather, if it is possible, have answers for the committee in writing. I know that you are probably not prepared to address them all.

First, in your view, what continues to be the chronic problems that plague the department in Puerto Rico and prevent them from doing a better job? Specifically, how do you and your department plan for better federal oversight of the Puerto Rico Department of Education, given what I told you?

Second, my staff and the Congressional Research Service have had continual problems obtaining reliable data on NCLB implementation in Puerto Rico. My staff was advised by your staff that Puerto Rico only recently agreed they needed to update their data collection systems. The question is, what progress have they made in that area and what will your department do to have them get their act together?

Thirdly, how is your department helping them increase staff retention in the Puerto Rico Department of Education? That is another, actually, item that has been brought to our attention, and they are having serious problems in retaining staff.

So, Madam Secretary, I would appreciate it if you could send us back those answers.

Secretary SPELLINGS. I would be glad to do that, Congressman.

And it is a very regrettable and sad situation, especially for the kids in Puerto Rico. As you have said, they lack capacity in personnel, and they lack capacity in data and management. As I know you want me to be a good steward of federal tax dollars, they have to right the ship if they are to participate in programs like Reading First.

And I pledge to answer those questions and look forward to our work together and your leadership to right the ship there. And I appreciate your interest.

Mr. FORTUNO. Thank you, Madam Secretary.

I yield back. Thank you.

Chairman MILLER. The gentleman's time has expired.

Mr. Tierney?

Mr. TIERNEY. Thank you, Mr. Chairman, Madam Secretary.

Madam Secretary, I am somewhat concerned about the whole Nelnet situation, the special allowances payments on that. I just look at the history of the failure of the department to send out a clarifying letter over a period of time, though it belatedly did, but I also note that on a Friday afternoon is when the decision came down. We all know what Friday afternoons are in terms of announcing decisions of what we are going to do.

But the department decides to allow the company to keep $278 million. It boggles my mind why we don't get the entire amount of money back and what the excuse was to allow somebody to get away with essentially theft of the situation and not take the whole thing back, as your inspector general's report clearly indicated should be done.

Secretary SPELLINGS. Well, Congressman, I don't know that you were in the room at the time, but, obviously, as I settled this lawsuit, could we have taken a different point of view, and you may have, certainly, that is the case.

But let me tell you the facts as I know them, which is that we had continued to pay that organization, as well as others, quarterly special allowance payments under the transferring provision, a legal authority for first and second generation loans. It was discovered by my inspector general that that organization had abused provision and was doing something other than that. You all have previously——

Mr. TIERNEY. But they also discovered that back in 2005 with respect to another organization, so it is not like this is the first eye opening that the department had.

Secretary SPELLINGS. There are four parts of the special allowance payments, and so various ones of those were implicated throughout the investigation in New Mexico and Nelnet in this case.

The reason that I settled this lawsuit, to get to your fundamental question, is because there was a risk of an additional nearly $900 million that this government was at risk of losing had we lost the lawsuit. This law has——

Mr. TIERNEY. So you totally disagree with your inspector general who made a clear indication that they didn't think that that risk was there and that you ought to collect the entire amount. And that is also not the reason that Ms. Tucker gave on her Friday afternoon expose on here when she indicated that she thought it was because it would jeopardize the financial status of some small nonprofit lenders on the situation, which would boggle the mind, I think, if she is arguing that there is some shortage of capital out there on the situation.

Secretary SPELLINGS. Well, obviously, this particular issue and case has implications for nonprofit and for-profit organizations other than Nelnet.

Mr. TIERNEY. I hope you are not arguing seriously that there is some shortage of capital out there that means that we should tolerate theft in order to resolve this.

Secretary SPELLINGS. No, clearly not. I made the judgment that it was better to end, finally and with certainty, this practice, to de-

scribe a methodology that the industry could apply across the board.

Mr. TIERNEY. I hear what you are saying. I mean, I think you were extremely belated in doing that, given the history of this thing, but tell me what you didn't have confidence in with respect to your inspector general's report who had the exact opposite conclusion that you reached. You don't have confidence in your inspector general?

Secretary SPELLINGS. No, I have a great deal of confidence in my inspector general. I don't agree with him 100 percent of the time on every matter.

Mr. TIERNEY. Well, I am going to leave it at that, but I am entirely uncomfortable with this, for the whole scenario of how it occurred, the Friday afternoon release, the large amount of money that was given here, the total disagreement with the inspector general on this. I think it is very weak, the presentation that you make on that, and I think we should all be careful.

Mr. Chairman, I hope that we do some more oversight on that issue alone and how many people were allowed to just take the money and run as a result of that decision, which I think that maybe we could have the inspector general in to find out what it is that the secretary and the inspector general don't seem to jive on.

Because you agreed in one instance, and when you took back a certain amount of money you found that you were in total agreement with his decision. Just going forward you apparently had some problems letting them keep the money.

Mr. Chairman, I yield to you if you have some additional questions.

Chairman MILLER. In your request, there is a bipartisan request in to further proceed on the Nelnet matter, given the range of the money.

I am just a little concerned here that somehow the problem here is Andrew Cuomo, and I just want to state for the record, I think but for the attorney general of New York, Andrew Cuomo, we wouldn't be here today. We would not have passed the Sunshine Act, and the public would not be aware of the outright incredible unethical, at a minimum, behavior, I think criminal behavior in a number of cases, that not only is he investigating but attorney generals all over the country and the U.S. attorney are taking a look at where people have bribed their way onto campus.

And to suggest that somehow he only dealt with the private loans when in fact he told this committee that they are connected, and we know that, well, they are connected when the person says, "We will give you private money if you give us more federal access to the program," as Sallie Mae did, and when you blew the whistle on them, they promised never to do that again. Other lenders have been yelling about that practice for a long, long time.

So there was a connection between access to private lending, to campus and the federal program, and among the larger lenders those programs have in fact been coupled.

And the suggestion that somehow that the problem is here that Andrew Cuomo, who used to be the secretary of HUD, where, by the way, he received many, many awards from national organiza-

tions for innovative leadership of that department, is outrageous to suggest that.

I suspect that the parents who are borrowing this money and the students who are borrowing this money are very happy to have Mr. Cuomo blow the whistle on this activity. I wish that somebody else had done it prior to his doing it, somebody with direct oversight of the department, but that didn't happen.

And since we are in a revisionist history here, let the record show that but for the actions of Mr. Kildee and Mr. Van Hollen who dogged on the floor the 9.5 problem, there would have never been legislation on the 9.5, in spite of the recommendation of the Clinton administration, in spite of the recommendation of the Bush administration. Because the 9.5 lenders had it about the way they wanted it in the Congress, but, finally Mr. Kildee and Mr. Van Hollen got the amendment accepted in HHS and the rest is history as to what took place there, finally in 2006, 2 years later, after Kildee and Van Hollen had dogged them down.

So I would just like to straighten that part out of the record.

And Mr. Petri is recognized for 5 minutes.

Mr. PETRI. Thank you very much, Mr. Chairman, and I will be submitting additional questions for a response for the record by the secretary. Time is limited at this particular occasion.

Madam Secretary, you kind of inherited a whole series of programs and our legal framework, and I know you are doing your best within that to operate the department. I would like to explore a little bit more with you the subject that has been raised by the chairman and several others, and that is the Nelnet situation.

They submitted, as I understand it, some $1,100,000 worth of reimbursements under a 9.5 percent arrangement and did receive some $278 million that they had and then you entered into a settlement with them to basically stabilize the situation where it stood, and they agreed to give up their additional claims for the remainder of the $1.1 billion and the department agreed to not ask for the $278 million back.

And as the chairman pointed out, if they were confident that they could have got their $1.1 billion total, they probably wouldn't have agreed to this agreement. So there is clearly somewhat of a grey area.

The inspector general recommended that we attempt, as a government, to collect the whole amount back, but there was some element of uncertainty here, and you entered into that settlement.

We asked the Congressional Research Service to review the whole thing, and they basically seemed to indicate to us in their study that your authority is total and complete. It is not subject to review by us within the existing law, by the Justice Department or anyone else. And that is not your fault, that is our fault, really.

And we have a system with checks and balances. There are a number of other outstanding claims, and under the current situation, you are going to have to enter into a final agreement that presumably could be subject to no challenge. So you signed a check, in effect, for $278 million of taxpayers' money. You have the authority to enter into similar agreements that cannot be reviewed or challenged by anyone under current law for I don't know how much.

Perhaps you could say how many outstanding claims are you reviewing and, secondly, whether you think this is really sound or whether we ought to review that and figure out if there can be some sort of system of checks and balances or where the Justice Department or some other people could do an independent analysis or review to see if they think the government should pursue these claims or they should throw upon you who may not even have legal training the authority to enter into contracts that are final.

Secretary SPELLINGS. Well, I certainly can do that. As you said, I do have the authority to enter into agreements such as this. This is an $85 billion enterprise. Two-hundred-seventy-eight-million dollars, I guess some might suggest, I certainly would, that we may have saved the taxpayers another 800-and-some-odd-million dollars in payments had we lost the lawsuit.

But, certainly, we can get you——

Mr. PETRI. On that point, it is my understanding—I could stand corrected—that, actually, Nelnet reserved the right to reopen the agreement, but the Education Department gave up the right to reopen the agreement, and it is final so far as the government is concerned.

Secretary SPELLINGS. And to the extent that you would like us to look at various authorities that I have in comparison with other departments and agencies, we can certainly do that or the GAO can do that.

But, I guess, one of the things, and I certainly don't mean this facetiously is, as a policymaker and administrator, on the one hand, I hear you say, take immediate, aggressive action to stop X, but don't use your judgment as the primary authority over these programs to use it.

Mr. PETRI. Well, ma'am, you didn't have to enter into an immediate agreement. You could have just stopped payment and let them sue you, and we would have been no worse off. So that is not necessarily the case.

Do you have an idea of the total amount of potential claims that are outstanding under this, similar to Nelnet?

Secretary SPELLINGS. I certainly can get that.

Mr. PETRI. How much more are we talking about?

Secretary SPELLINGS. Obviously, there are many other lenders that would be subject to that. That is why this final and certain methodology that the inspector general endorsed was so important to bring to bear virtually simultaneously in doing that.

But, absolutely, I can get that information for you.

Mr. PETRI. Thank you.

Chairman MILLER. Mr. Bishop?

Mr. BISHOP OF NEW YORK. Thank you, Mr. Chairman. Thank you for holding this hearing.

And, Madam Secretary, thank you for coming and giving us so much time this morning.

I certainly share the concerns that my colleagues have raised with respect to the level of oversight on the student loan issue and on Reading First, but I want to focus in on an area that is very troubling to the higher ed community, somewhat more obscure, but has to do with a subject that you have raised a few times this morning, and that is the negotiated rulemaking.

It is my view, and I think this is shared broadly across the higher ed community, that the department is using the negotiated rulemaking process to achieve by regulatory means that which the department has been unable to achieve by legislative means.

And I think there are three examples of this, what the department is attempting to do right now with transfer of credit policy, what the department is attempting to do in terms of what has been characterized in certain newspapers as a slow bleed of the Perkins Loan Program and, lastly, what the department seems to be attempting to do to impose what appears to be a uniform standard, sort of a national level of competence that all college students would be expected to adhere to, as administered through the accreditation process.

And let me just take the transfer of credit. My understanding is that the current negotiated rulemaking process goes forward under the aegis of allowing regulations to conform to the Higher Education Reconciliation Act of 2005. That act contains not a single mention of transfer of credit policy. Transfer of credit policy is an issue that is under active consideration in this Congress. In fact, there was language in the Higher Ed Act that passed out of this committee.

Congressman Souder and I offered a bipartisan amendment to strip that language, but now the department is attempting to reimpose that language by virtue of this negotiated rulemaking process.

And I would like you to comment on that. Why is this something that falls to the authority of the department and doesn't remain within the legislative authority of the Congress in your view?

Secretary SPELLINGS. Well, the Congress, obviously, has the authority to trump any and everything at the U.S. Department of Education or any department at any time. The negotiated rulemaking is such and is so lengthy to allow for lots of public commentary and so forth. It followed on the heels of a year-long commission report that I had initiated and so forth. So a lot of public awareness and public debate occurred on these various issues.

These issues are certainly not——

Mr. BISHOP OF NEW YORK. If I may interrupt, if the department is interested in transfer of credit, for example, the 1998 Higher Ed Act mandated that the department conduct a study of transfer of credit policies and their effect on student enrollment. That study has never been conducted.

Why doesn't the department conduct that study as opposed to attempting to circumvent the legislative process and impose through regulatory means whatever the department's agenda is?

Secretary SPELLINGS. Well, we can certainly bring to bear information that we have about the implications of transfer of credit for students and taxpayers, and we will do that.

Mr. BISHOP OF NEW YORK. Okay. But will you allow the negotiated rulemaking process to go forward or will you allow the Congress to work its will? We are going to undertake and pass a Higher Ed Act that will address the issue of transfer of credit, which is where it rightly belongs, here in the Congress.

Secretary SPELLINGS. I hope you will do that. Nobody would be more excited for the Higher Ed Act to be newly reauthorized than the secretary of education.

Mr. BISHOP OF NEW YORK. I think some of us might be excited.

Secretary SPELLINGS. But, obviously, I am going to proceed with, as I have told you, particularly in light of these various issues related to financial oversight and stewardship, a prudent negotiated rulemaking process on these issues. Have they concluded yet? Will there be opportunity for public comment and so on? Are these issues far from finally resolved? Absolutely, they are not, but the process is ongoing.

Mr. BISHOP OF NEW YORK. Even though the Congress would retain the right to impose their legislative will.

Secretary SPELLINGS. When the Congress imposes their legislative will, that will certainly trump any and all efforts with respect to a negotiated rulemaking, including the law that you passed yesterday.

Mr. BISHOP OF NEW YORK. And you position, I take it, would be the same on the issue of accreditation?

Secretary SPELLINGS. Yes, sir. As I said, the process is ongoing. No final decision has been reached about the issues that you are concerned about and raise. But I precipitated the public debate around those issues in the absence of a statute last August and through the spring of this year. They are not complete.

Mr. BISHOP OF NEW YORK. And that public debate is pursuant to the issuance of the report, the so-called Spellings commission report?

Secretary SPELLINGS. The initiation of the rulemaking was, in part, out of that, as well as these issues that have been raised. I used the negotiated rulemaking process to investigate a series of issues.

Mr. BISHOP OF NEW YORK. I just want to assure you that this Congress is going to address in the Higher Ed Act these issues from all vantage points that you are attempting to address via the regulatory process. We are going to exercise our legislative authority to address these issues.

Thank you very much. I appreciate your time.

Secretary SPELLINGS. Thank you.

Chairman MILLER. The gentleman's time has expired, and all time for this hearing has expired.

Madam Secretary, thank you very much, one for agreeing to appear before the committee today. Thank you for answering the questions of the members. Especially thank you for staying an additional time due to the interruption we had with the votes.

I thank you for all of your responses. I think you can see the level of concern by the committee. You share that concern. You made that clear today.

I want to, again, make it clear that this is a hearing on oversight of this department, which you happen to head at this time, but, as you heard, many of the concerns here predated you, and these problems started to grow in intensity and in concern and in different levels of activity by people who should be working to serve the students and families of the Student Loan Program or the districts under Reading First. They have got crossways in this system.

There are other ongoing investigations of some of these personalities and some of the audits done. We will continue that effort, and we look forward to your cooperation.

This is about this committee moving forward. We wanted to demonstrated that with the passage of the bipartisan bill and inclusion of suggestions that Mr. Keller made and Mr. McKeon had made and others, because we think that there is just very little distinction on our commitment to the integrity of the Student Loan Program.

Mr. McKeon apologized for leaving. He had a leadership meeting where I think there were some votes to be taken within the leadership and he had to leave early, but he left it in the very capable hands of Mr. Keller.

And thank you very much for your time and your consideration. I know there were some questions that people wanted to get for the record, and we will transmit those to you, and we look forward to the answers.

Secretary SPELLINGS. Thank you, Mr. Chairman. I appreciate it.

Chairman MILLER. Thank you.

[Additional submissions for the record by Mr. Miller follow:]

CHARLIE MELANCON
3RD DISTRICT, LOUISIANA

COMMITTEE ON ENERGY
AND COMMERCE

COMMITTEE ON
SCIENCE AND TECHNOLOGY

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May 14, 2007

The Honorable George Miller
U.S. House of Representatives
Committee on Education and Labor
2181 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Miller:

I respectfully submit to your committee the attached letter from Norman Francis, President of Xavier University of Louisiana, regarding Mr. Tyrone Thornton. I have informed Mr. Francis that I have forwarded his correspondence to your committee.

Sincerely,

CHARLIE MELANCON
Member of Congress

PRINTED ON RECYCLED PAPER

Xavier University of Louisiana

Office of Resource Development
Office of Sponsored Programs
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Fax Cover Sheet

Date: 5/11/07

TO: The Honorable Charlie Melancon
U.S. House of Representatives

Fax #: 202-226-3944

FR: Norman C. Francis, President
Xavier University of Louisiana

Urgent: *Yes* ✓ *No* ____

Number of pages including cover sheet 3

Comments

XAVIER UNIVERSITY OF LOUISIANA
Office of the President

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May 11, 2007

The Honorable Charlie Melancon
United States House of Representatives
1117 Longworth House Office Building
Washington, DC 20515-1803

Dear Mr. Melancon:

On Wednesday, May 9, several news wire services, including Reuters and CNN, ran stories stating that congressional staff investigating student loan fraud cited a 2005 consulting visit to Ft. Valley State University in Georgia – another HBCU – by one of Xavier University's employees. The fee for consulting services was paid by JP Morgan. In that JP Morgan is one of the 12 lenders providing loans to Xavier's students, this consulting relationship was cited as a potential conflict of interest.

The employee identified as a consultant is Tyrone Thornton, Xavier's Comptroller of Fiscal Services. Tyrone is a nationally recognized expert with unique expertise in financial computing software. Mr. Thornton has been asked on multiple occasions to assist fellow institutions and to give presentations on this topic at national conferences. In July 2005, he requested and received permission from Xavier to take a three day vacation leave of absence to provide assistance in reconciling Fort Valley State's BANNER and People Soft financial accounting systems, the latter being fed by a Sallie Mae software system receiving financial aid data from JP Morgan. For this work, Mr. Thornton was paid a $1,500 consulting fee.

Mr. Thornton's consulting work at Fort Valley State in no way related to the financial aid lender selection process. Furthermore, in his capacity as Comptroller at Xavier, Mr. Thornton has no authority or influence over decisions made by Xavier's Financial Aid office – a completely separate department within the university – in regard to recommending lenders to students.

We have communicated the above information to media representatives who have contacted us regarding this matter. Unfortunately, to date, they have not found it to be newsworthy.

With regard to Xavier's handling of student financial aid lenders we would like you to know that: lenders are randomly selected for inclusion in financial aid offers to students from a group of twelve banks with a history of providing efficient services to Xavier

Page 2
Mr. Melancon
May 11, 2007

students; families are always advised of their right to select other lenders, in fact more than fifty different lenders are currently providing loans to Xavier students; Xavier financial aid staff members do not make arrangements for nor accept free trips, stock benefits or personal favors from financial aid lenders whether or not they were loan providers.

If you have any questions regarding this issue or would like further information, please feel free to contact me at 504-530-7541.

Sincerely yours,

Norman C. Francis
President

[VIA FACSIMILE],
May 16, 2007.

Hon. MARGARET SPELLINGS, *Secretary of Education,*
U.S. Department of Education, Washington, DC.

DEAR SECRETARY SPELLINGS: Thank you again for testifying at the May 10, 2007 hearing, "Accountability for the Department of Education's Oversight of Student Loans and the Reading First Program." As discussed during the hearing, the Committee would appreciate your assistance in providing written responses to the enclosed questions to ensure that the Committee's hearing record is complete. We would appreciate your responses in Word format, no later than May 24, 2007. If you have any questions, please do not hesitate to contact Michael Zola, Chief Investigative Counsel for the Committee at (202) 226-9403.

Sincerely,

GEORGE MILLER,
Chairman.

Representative Jason Altmire (D-PA) has asked that you respond to the following questions:

1. The former Reading First Director, Chris Doherty, was referred to the Justice Department because he had a conflict of interest coming into the Department of Education that he did not properly disclose. Mr. Doherty's wife works for an organization with ties to a specific reading methodology and with ties to reading products. Can you please explain why the Department failed to properly address this conflict?
2. When was the first time you learned that Mr. Doherty's wife worked for an organization with ties to reading products? What did you do about it?
3. What steps will the Department take going forward to proactively identify and address conflicts of interest among its own employees?
4. What was your role in the implementation of Reading First while you served in the White House?
5. Did you play any role in selecting program officials, contractors, sub-contractors, or consultants?
6. Did you ever have discussions with Beth Ann Bryan, Douglas Carnine, or Reid Lyon about Reading First prior to joining the Department? What specifically did those conversations entail?

Representative Robert Scott (D-VA) has asked that you respond to the following questions:

1. Are you aware that Kentucky made changes to its Reading First grant application to eliminate certain reading programs before receiving their federal grant? Have you submitted inquiries to states to determine which, if any, additional states changed their Reading First grant application to eliminate certain reading programs before receiving their grant? Assuming that such changes were made, what remedies will be available for organizations that were eliminated in grant applications?
2. What campaign contributions were made by Nelnet in the two years prior to the company's settlement with the Department?

Representative Donald Payne (D-NJ) has asked that you respond to the following questions:

1. The purpose of the National Student Loan Data is to serve as a central repository on student loans for lenders, guarantors, schools, borrowers, and the Department to update and obtain information needed administering the student loan programs. This is not the case of someone hacking into a government database; the Department must approve all users and monitors their use. How do you justify the fact that for the nearly a month, the vast majority of users who have done nothing, have not been able to use the system to administer the loan programs?
2. Last year, there was a significant backlog in Consolidation loan processing because of unexpected guidance that the Department issued in April, which Congress later overturned by repealing the "single holder rule." Your decision to lock lenders out of the NSLDS seems to be creating another backlog this year. What are you going to do to restore access to the system now and avoid causing another situation which results in borrowers waiting months to be able to lower their monthly payments using Consolidation loans?
3. The Department notes that it has begun to restore access to the system. How many lenders have been allowed to regain access to the system? Why hasn't the Department provided lenders with information and a timeline for restoring access?
4. Before you made your decision on April 17th to lock lenders out of the system, didn't the system already record each access of every borrower's record, noting the time and user who accessed a borrower's record? Why wasn't this enough information for the Department to be able to investigate whether users were not properly accessing records? What has the shut down accomplished that couldn't have been done while still maintaining access to users in compliance?
5. Were any security breaches by unauthorized users identified by the Inspector General before you made your decision on April 17th?
6. Have there ever been any instances of identity theft attributable to a user accessing NSLDS?
7. With regard to the charge that lenders were using the system for marketing, are lenders able to obtain a borrower's address from the system? Phone number? E-mail? How can the system be used for marketing, if it contains no contact information on borrowers?
8. Can you confirm that lenders able to obtain from NSLDS lists of borrowers at a given institution who have outstanding student loans?
9. Can a user access a borrower's record in NSLDS without already knowing the borrower's social security number?

10. Were you aware that your decision would result in certain lenders not being able to verify borrowers' eligibility for consolidation loans or would significantly disrupt the loan consolidation process?

11. What specific threat did you believe you were addressing when you made the decision on April 17th?

12. Are you aware that the shut down of the system benefits large lenders who already hold a borrower's loans such as Sallie Mae, Nelnet, and the Department's Direct Loan program, since they do not need to access NSLDS in order make Consolidation loans to their borrowers? Why would you take an action that would limit a borrower's choice of lender, when clearly it is the intent of this body to offer borrowers the broadest degree of choices?

Representative Howard "Buck" McKeon (R-CA) has asked that you respond to the following questions:

Student Loans

1. Chairman Miller has recently sent some marketing documents to the Federal Trade Commission in order to determine if such documents are deceptive marketing material. I have seen some of those materials and they look fairly deceptive to me. Has the Department sent such marketing documents to the FTC in the past and what was the response?

2. Madam Secretary, you have been criticized for not enforcing the inducement prohibition in the Higher Education Act. We know that the Clinton Administration took an action against Sallie Mae which was decided in Sallie Mae's favor by an administrative law judge in 1996. For the record, do you know how many other enforcement actions were taken by the Clinton Administration with respect to inducements?

3. Madam Secretary, has your administration taken any such actions against lenders or other parties?

4. One of the things Chairman Miller has asked you to implement is "emergency regulations" to put an end to some of the practices that have been in the media lately. To your knowledge, has the Department ever enacted "emergency regulations?" Does the Department even have the legal authority to enact "emergency regulations" for an activity like this?

5. There seems to be a lot of confusion about what is a prohibited inducement even though the law is clear about not paying a school for loan applicants. The Department issued guidance explaining the law when it was first enacted and it has not significantly changed since its enactment more than 15 years ago. Do we have a problem with the law or is this really more of an ethics issue for colleges?

6. The bill we passed yesterday addresses the ethics issue but it did nothing to address the statutory provision on inducements so if this is a problem with the law, what should Congress do to solve the problem?

7. While the press has been pointing to a report by the Office of the Inspector General that alleges that the close relationship the Office of Federal Student Aid has with lenders and guaranty agencies has impeded FSA's ability to do proper compliance and oversight of these entities, that is not what I have seen or heard from companies in my state. What are your thoughts on this?

Reading First

8. From the various reports that have been released, including the report issued by Senator Kennedy yesterday, it is clear that mistakes were made in the implementation of the program related to conflicts of interest, mismanagement, and curriculum control. In your testimony, you outline many of the things that the Department has done or is doing to respond to these various reports. As you know, last month I introduced H.R. 1939, the Reading First Improvement Act, to address many of those findings related to conflicts of interest, mismanagement, and curriculum control. Many of the provisions in this bill codify steps you are already taking. Do you believe H.R. 1939 reflects the approach that Congress should take to provide the Department more clarity in terms of how the Department should implement this unique program? How can Congress partner with you to strengthen this program going forward?

9. Madam Secretary, it is clear from the Inspector General's reports that some states felt pressured at different points during the implementation of the program and that the application process was not perfectly transparent, and I hope that we can fix those problems going forward. Yet, I also received a letter following our first Reading First hearing from a state Reading First director speaking very highly of the program and Chris Doherty in particular. This state director was not only thrilled with the program's outcomes, he felt that those outcomes were directly attributable to the hard work of Chris and others at the Department. You have stated

that the department has reached out to states to solicit their feedback on the program. How would you characterize state feelings about Reading First?

Representative Joe Wilson (R-SC) has asked that you respond to the following questions:

1. Given the consequences to borrowers of continuing to limit access to NSLDS during a time when many borrowers would like to consolidate their loans, how will the Department communicate with borrowers and industry going forward when issues such as this arise?

2. I understand that limited notice was provided to users of NSLDS of the restrictions imposed a few weeks ago. What was the process undertaken by the Department in determining the amount of notice given to NSLDS users prior to imposing a restriction on the system's access?

3. I understand that the restrictions on the system are beginning to be lifted for guaranty agencies. How long do you expect that the restrictions will continue to be in place for other users of the system?

4. Madam Secretary, in conducting investigations into the relationships between institutions and lenders, the New York Attorney General submitted notices to many institutions, including an institution in my home state—Clemson University. It is my understanding that Clemson received funds that it puts towards need-based grant aid to students through an arrangement it has with a private loan lender. The South Carolina Attorney General Henry McMaster reviewed the agreement, at the urging of Attorney General Andrew Cuomo, and found nothing wrong with the agreement. Since this is a private loan arrangement, do you have any authority over these arrangements and is it an illegal inducement under the HEA?

5. Do you have suggestions for how the federal government should respond to issues when attorneys general in 2 different states disagree about what constitutes inappropriate behavior?

Representative Thomas Petri (R-WI) has asked that you respond to the following questions:

I. Department Loan Program Mismanagement

1. Given the prevalence of unethical relationships between lenders and financial aid offices, would you agree that the Department has failed to provide sufficient leadership to prevent and identify these practices?

2. Can you explain the Department's failure to implement gift and ethics regulations, as it was advised to do in 2001 and again in 2004 after the Financial Aid Administrators Assn' failed to adopt industry standards?

3. It's become increasingly clear that various Department officials failed to act to prevent subsidy abuse and unethical lender practices over the last decade. Would you agree that these officials should be held to account for their mismanagement?

II. Nelnet $278 Million Settlement

You recently forgave $278 million to student lender Nelnet, which manipulated subsidies to bill taxpayers at the 9.5% rate. I received your response within an hour prior to this hearing:

1. How do you justify your decision, given Nelnet's brazen abuse and manipulation of taxpayer funds, not to try to fully collect these payments?

2. Can you please provide all other lenders, subsidy figures, and loan volume in question with regards to 9.5%?

3. You indicated that you would conduct audits of all other potential 9.5% abusers before offering any further forgiveness.

a. Have any additional settlements been reached and;

b. Do you still intend to offer forgiveness on a case-by-case basis in accordance to the audit results?

4. According to some legal analysts, neither individual taxpayers nor the Department of Justice has the legal authority to challenge your settlement, only the lender.

5. Would you agree that Congress should include an oversight mechanism in HEA for future settlements, given the large sums of taxpayer funds at stake?

III. On the Guaranteed Loan Program

The Bush Administration's Office of Management and Budget and Treasury Department, along with the Congressional Budget Office, Government Accountability Office, and private economists have all agreed that the guaranteed loan program is significantly more expensive than the Direct Loan alternative—costing taxpayers an estimated $3—5 billion annually in excess subsidies.

1. Would you agree that these wasteful subsidies in the guaranteed program are a product of a structurally-broken system?

2. Would you agree that a market-based loan guarantee auction would reduce wasteful spending by requiring lenders competitively bid for taxpayer subsidies?

3. Why did it take the Administration six years to publicly recognize on the excess subsidies in the guaranteed loan program given the strong supporting evidence?

4. Can you please provide a complete list of FFELP lenders and federal subsidy payments for the most recent year that data is available?

IV. Misc. Direct Loan Question

The Higher Education Act (Section 455) mandates that the Direct Loan program provide "the same terms, conditions, and benefits" as the FFEL program.

The only lender to provide federal loan borrowers lower interest rates in recent years has been MyRichUncle which has offered 5.8% rates. Reducing Direct Loan interest rates to 5.8% as MyRichUncle has would save the typical student borrower $1,000 in student loan payments.

In 1999, Secretary Riley enforced this provision and lowered Direct Loan program fees to match the lower origination fees that guaranteed lenders were offering.

1. Why hasn't the Bush Administration lowered interest rates for Direct Loans to match the lower interest rates being offered by guaranteed lenders like MyRichUncle?

Representative Mark Souder (R-IN) has asked that you respond to the following questions:

1. Madam Secretary, can you tell us what statutory authority exists in the Higher Education Act that allows schools in the Direct Loan program to force students and parents to borrow from the government, thereby restricting their free choice in selecting a student loan lender?

2. Considering much of the current discussion began as a result of lenders complaining that schools were restricting the choices of students and parents, how do you justify allowing the Direct Loan program to eliminate all choices and forcing students to borrow from one lender?

3. There has been a proposal in Congress that would bribe schools to join the Direct Loan program with the lure of potential grant funds. What is your opinion of that proposal? Could the Department of Education handle a substantial increase in Direct Loan volume? Do you support bribing schools in this fashion or would you prefer that a robust level of competition continues to exist between the two loan programs?

4. Included in H.R. 890, The Student Loan Sunshine Act, was a provision that required institutions with preferred lender lists to disclose to both you and the public why the lenders were placed on the list. The Democrats opposed including a provision that was in H.R. 1994, The Financial Aid Accountability & Transparency Act, which required Direct Loan schools to disclose why they selected the Department as their lender. It seems to me that if one argues that students need to know why a school selected 3 to 4 lenders in the FFEL program, then it is even more important that students be given that same information when their school only selects ONE lender for them just like a school does in the DL program. What do you think about that?

Responses to May 16, 2007 Written Questions for the Committee on Education and Labor

Rep. Jason Altmire (D-PA):

1. The former Reading First Director, Chris Doherty, was referred to the Justice Department because he had a conflict of interest coming into the Department of Education that he did not properly disclose. Mr. Doherty's wife works for an organization with ties to a specific reading methodology and with ties to reading products. Can you please explain why the Department failed to properly address this conflict?

I have reviewed the matter and determined that the Department reviewers acted in a reasonable way in addressing this matter. However, because this matter has been referred to the U.S. Attorney's Office as a possible criminal matter, it would be inappropriate to discuss the specifics of the Department's actions until that review has been completed.

2. When was the first time you learned that Mr. Doherty's wife worked for an organization with ties to reading products? What did you do about it?

See the answer to Question 1 above.

3. What steps will the Department take going forward to proactively identify and address conflicts of interest among its own employees?

The Department runs an ethics program in accordance with regulations and guidance issued by OGE, an independent Executive branch agency charged with estab-

lishing government-wide ethics policy. The Department has received periodic program reviews by the OGE. Most recently, the Department's ethics program was recognized for excellence in training when it received the OGE 2007 Ethics Training Award. In 2004, OGE reported, "ED's ethics program is essentially sound and appears to be appropriately tailored to the needs of agency employees" and that the ethics training requirements are "not only being met, but also exceeded in many ways." In the report of its 1997 review, OGE stated that, "Education's ethics program is sound and well managed. We are impressed with the commitment shown by [the staff] to providing high quality services to employees and with the measures taken to prevent actual or the appearance of conflicts of interest on the part of Education employees." In OGE's report of its 1993 review, it noted, "In many respects [the ED ethics program] is one that could serve as a model for other executive branch agencies."

Moving forward, the Department will continue to vigorously review and evaluate financial disclosure reports filed by Department employees. In order to enhance our current program, the Department has instituted a two-attorney review of each public financial disclosure report. Additionally, I have asked the head of the Department's ethics office to identify best practices in the government ethics programs and to prepare a report with recommendations on ways to further enhance the Department's ethics program. Finally, both the Department's OIG and OGE have recently initiated reviews of the Department's ethics program. We are cooperating with both of these reviews and believe the results will further inform our efforts to enhance the ethics program at the Department.

4. What was your role in the implementation of Reading First while you served in the White House?

My duties at the Domestic Policy Council (DPC) included budget and policy issues for well over 500 federal grant and loan programs across eight Cabinet and other major agencies. While at DPC, I had responsibilities with regard to the development and implementation of many government initiatives, including those involving Global Aids, Immigration, Postal Reform, Food Safety, Pandemic Flu, and the overall implementation of the No Child Left Behind Act, which includes Reading First.

5. Did you play any role in selecting program officials, contractors, sub-contractors, or consultants?

The Department's officials had delegated authority from the Secretary of Education to select program officials, contractors, subcontractors, and consultants.

6. Did you ever have discussions with Beth Ann Bryan, Douglas Carnine, or Reid Lyon about Reading First prior to joining the Department? What specifically did those conversations entail?

In my role at DPC, I generally discussed matters about the Department with Reid Lyons and Beth Ann Bryan, but it would be inappropriate for me to discuss the details of these discussions as a former senior adviser to the President of the United States.

Rep. Bobby Scott (D-VA):

1. Are you aware that Kentucky made changes to its Reading First grant application to eliminate certain reading programs before receiving their federal grant? Have you submitted inquiries to states to determine which, if any, additional states changed their Reading First grant application to eliminate certain reading programs before receiving their grant? Assuming that such changes were made, what remedies will be available for organizations that were eliminated in grant applications?

Although I am not aware of the specifics of every State's Reading First application, I am aware of the testimony of that was provided by Star Jones, the Associate Commissioner for the Office of Teaching and Learning at the Kentucky Department of Education, at your Committee's April 20th hearing on the implementation of the Reading First program.

In an effort to address any concerns about the Reading First program, on September 29, 2006, then-Assistant Secretary for Elementary and Secondary Education Henry Johnson, sent a letter to State Reading First Directors notifying them of the report from the Department's Office of the Inspector General entitled The Reading First Program's Grant Application Process. In the letter, Dr. Johnson asked each State to notify the Department of any concerns it may have with the process used to review State Reading First applications. He also requested that they notify us if they did not have any complaints.

The Department received responses from 25 States. Of the 25 States that responded, 16 (Alabama, Alaska, Arizona, Arkansas, Colorado, Hawaii, Kansas, Maryland, Mississippi, Missouri, Rhode Island, South Dakota, Tennessee, Utah, Washington, and the Virgin Islands) expressed no concerns with the review process, and a number had positive comments about the program or review process. For example,

Kansas indicated that it was approved without identifying a core reading program and likely had the most flexible Reading First plan. Kansas also indicated that it had no problems during the review process that were not resolved, and that they appreciated the help that they received from the Department. Seven States (Maine, Massachusetts, Montana, New Hampshire, New Jersey, North Dakota, and Wisconsin) expressed concerns with the review process. For example, New Hampshire expressed concerns with the efficiency of the review process. The State noted that the Department did not provide it with comments from the peer-review panel in a timely manner, and that the length of the review process put stress on the system at the state and local level. Two States, Oregon and Pennsylvania, responded to the letter but did not express an opinion on the quality of the review process.

Program staff contacted each State that did not reply to the request to provide comments on the review process. In conversations between Department and State program staff, seven States (California, Delaware, Iowa, South Carolina, Texas, Vermont, and American Samoa) indicated that they had no concerns with the review process and did not plan to submit a response. Kentucky indicated that the State had concerns with the process but did not submit a response because it had previously communicated its concerns to the Department. The remaining States did not respond to Department staff or indicated that they had no comments on the review process.

Any State that believes that it was pressured to remove a specific reading program from its Reading First application may submit an amendment to its application. The State would have to demonstrate that the program proposed for inclusion meets the criteria described in its Reading First plan for identifying programs based on scientifically based reading research. Since the OIG issued its inspection report, staff have held meetings of all the Reading First State directors and the States were told about the process for submitting amendments to their approved State plans.

2. What campaign contributions were made by Nelnet in the two years prior to the company's settlement with the Department?

The Department does not have this information.

Rep. Donald Payne (D-NJ):

1. The purpose of the National Student Loan Data is to serve as a central repository on student loans for lenders, guarantors, schools, borrowers, and the Department to update and obtain information needed [in] administering the student loan programs. How do you justify the fact that for nearly a month, the vast majority of users who have done nothing, have not been able to use the system to administer the loan programs?

Access for Guaranty Agencies, Lenders, and Lender Servicers was temporarily suspended on April 18, 2007. Access for borrowers, students, and institutions of higher education was not affected and these entities represent the majority of NSLDS users. While Guaranty Agencies, Lenders, and Lender Servicers were affected by the temporary suspension, we are working diligently to restore their access. We reinstated NSLDS access for 32 out of 35 Guaranty Agencies (91%) of Guaranty Agencies. We anticipate restoring access to the remainder of the Guaranty Agencies in the near future. We requested additional certifications from lenders and lender servicers and access to these entities will be provided when the requested information is received. To date, we have reinstated access for approximately 11% of the lenders who had accessed the system within the past year and approximately 24% of the lender servicers who had accessed the system within the past year. We are still developing a process to reinstate access for those entities that participate in the program as Eligible Lender Trustees.

That said, we understand that this temporary suspension has delayed some functions by the affected organizations. However, ensuring appropriate access to NSLDS to protect the confidentiality of our borrowers' financial information is our highest priority.

2. Last year, there was a significant backlog in Consolidation loan processing because of unexpected guidance that the Department issued in April, which Congress later overturned by repealing the "single holder rule." Your decision to lock lenders out of the NSLDS seems to be creating another backlog this year. What are you going to do to restore access to the system now and avoid causing another situation which results in borrowers waiting months to be able to lower their monthly payments using Consolidation loans?

Borrowers can log onto the NSLDS Borrower website to obtain the data needed to complete the consolidation loan application. Lenders can continue to process the application without accessing NSLDS.

Additionally, because of the new fixed student loan rates and the increased consolidation volume in previous years, we anticipate a lower volume of consolidation requests this year.

3. The Department notes that it has begun to restore access to the system. How many lenders have been allowed to regain access to the system? Why hasn't the Department provided lenders with information and a timeline for restoring access?

Appropriate instructions for Guaranty Agencies and Lenders, including Lender Servicers, were sent on May 2, 2007 and May 15, 2007, respectively, to the Chief Operating Officer of each organization via e-mail. As the entity responds and the data is reviewed, access is being restored.

4. Before you made your decision on April 17th to lock lenders out of the system, didn't the system already record access of every borrower's record, noting the time and user who accessed a borrower's record? Why wasn't this enough information for the Department to be able to investigate whether users were not properly accessing records? What has the shut down accomplished that couldn't have been done while still maintaining access to users in compliance?

We continuously monitor access to NSLDS to prevent unauthorized use. As a result of this monitoring, we issued a Dear Colleague Letter (DCL) in April 2005 reiterating NSLDS usage requirements. Following the release of the DCL, we observed a significant increase in usage by lenders, loan holders, servicers, and guaranty agencies. This was a matter of concern to us and we began considering potential courses of action. After consideration of alternatives, the Department temporarily suspended access to NSLDS by lenders, lender servicers, and guaranty agencies. Please note there is no indication of any unauthorized access to NSLDS.

5. Were any security breaches by unauthorized users identified by the Inspector General before you made your decision on April 17th?

No. We are not aware of any NSLDS security breaches by unauthorized users identified by the Inspector General.

6. Have there ever been any instances of identity theft attributable to a user accessing NSLDS?

No. We are not aware of any instances of identity theft attributable to a user accessing NSLDS.

7. With regard to the charge that lenders were using the system for marketing, are lenders able to obtain a borrower's address from the system? Phone number? E-mail? How can the system be used for marketing, if it contains no contact information on borrowers?

NSLDS does not provide access to email addresses, phone numbers or addresses of borrowers, nor does it authorize the analysis or database searches of multiple borrower records. However, lenders that participate in the FFEL Program often purchase data from credit bureaus and other sources for the specific purpose of making an offer of credit to an individual, in this case a FFELP consolidation loan. Within this solicitation is a request for permission to access NSLDS to obtain information on the borrower's loans.

8. Can you confirm that lenders [are] able to obtain from NSLDS lists of borrowers at a given institution who have outstanding student loans?

Authorized NSLDS users cannot obtain lists of borrowers at a given institution who have outstanding student loans. NSLDS only allows a user to look up a single borrower at a time and only if the user has a relationship with the borrower or, until recently, had specific permission from the borrower to do so. The use of automated tools is prohibited. Federal Student Aid deploys a variety of tools and monitoring techniques to alert us to the possibility that automated tools are being used and automatically suspend the access for the user ID.

9. Can a user access a borrower's records in NSLDS without knowing the borrower's social security number?

No. Prior to April 30th, in order to access a borrower's records in NSLDS, the user had to, at a minimum, enter the borrower's social security number to access the records. Beginning on April 30th, the social security number, date of birth, and borrower's first name are required to access a borrower's records.

10. Were you aware your decision would result in lenders not being able to verify borrower's eligibility for consolidation loans or would significantly disrupt the loan consolidation process?

Lenders can continue to process consolidation loan applications without accessing NSLDS. Borrowers can log onto the NSLDS Borrower website to obtain the data needed to complete the consolidation loan application.

That said, we understand that this temporary suspension has delayed some functions by the affected organizations. However, ensuring appropriate access to NSLDS to protect the confidentiality of our borrowers' financial information is our highest priority.

11. What specific threat did you believe you were addressing when you made the decision on April 17th?

We continuously monitor access to NSLDS to prevent unauthorized use. As a result of this monitoring, we issued a Dear Colleague Letter (DCL) in April 2007 reiterating NSLDS usage requirements. Following the release of the DCL, we observed a significant increase in usage by lenders, loan holders, servicers, and guaranty agencies. This was a matter of concern to us and we began considering potential courses of action. After consideration of alternatives, the Department temporarily suspended access to NSLDS by lenders, lender servicers, and guaranty agencies. Please note there is no indication of any unauthorized access to NSLDS.

12. Are you aware that the shut down of the system benefits large lenders who already hold a borrower's loans such as Sallie Mae, Nelnet, and the Department's Direct Loan program, since they do need to access NSLDS in order to make Consolidation loans to their borrowers? Why would you take an action that would limit a borrower's choice of lender, when clearly it is the intent of this body to offer borrowers the broadest degree of choices?

The borrower is free to select any eligible, participating lender by selecting a consolidation loan application and working with his/her lender of choice.

As we mentioned above, the data needed by the consolidation borrowers is still accessible to complete the consolidation loan application. Borrowers can log onto the NSLDS Borrower website to obtain the data needed to complete the loan application. Lenders can continue to process the application without accessing NSLDS.

Ranking Member McKeon (R-CA):

1. Chairman Miller has recently sent some marketing documents to the Federal Trade Commission in order to determine if such documents are deceptive marketing materials. I have seen some of those materials and they look fairly deceptive to me. Has the Department sent such marketing documents to the FTC in the past and what was the response?

The Department shares the Committee's concern. In fact, during 2003 and 2004, the Department of Education referred to the FTC 31 complaints about 10 private student loan companies who were distributing marketing materials that the department thought might be deceptive. We understand from FTC staff that they have given careful consideration to these complaints. The Department of Education and FTC staffs currently are discussing how to improve cooperation on all matters related to private student loans, including improving the sharing of information concerning marketing materials that could be deceptive.

2. Madam Secretary, you have been criticized for not enforcing the inducement prohibition in the Higher Education Act. We know that the Clinton Administration took an action against Sallie Mae which was decided in Sallie Mae's favor by an administrative law judge in 1996. For the record, do you know how many other enforcement actions were taken by the Clinton Administration with respect to inducements?

We are not aware of any other formal enforcement actions taken by the Clinton Administration with respect to inducements.

3. Madam Secretary, has your administration taken any such actions against lenders or other parties?

Fair and effective oversight and monitoring of the nearly 3,500 lenders, guaranty agencies, and servicers that participate in the FFEL Program, is one of the Department's highest priorities. In fact, our oversight and monitoring activities conducted between fiscal year 2003 and the present resulted in the assessment, collection, or return of over $712,000,000 by lenders, guarantee agencies, and third-party servicers in the Federal Family Education Loan Program (FFELP).

In addition, Federal Student Aid (FSA) monitors the school and lending community by reviewing required annual compliance audits and financial statements, performing on-site program reviews, and analyzing partner-specific data to detect trends and areas that could be of concern. FSA has reviewed many audits and completed a number of on-site program reviews of schools, lenders, guaranty agencies, and third-party servicers for fiscal years 2001 though 2006, and is, in fact currently engaged in several dozen reviews of program participants with regard to the payment of possibly improper inducements.

Last year, the Department created an intra-department team to conduct targeted reviews and investigate complaints from students and lenders. When the Department determines a violation may have occurred, we look into it and, if necessary, take appropriate actions to stop it. Typically, we contact the lender, servicer, or guaranty agency and tell it to stop and, in most cases, it halts the questionable practice. Cease-and-desist letters have been issued to those entities that were found to be in noncompliance with the regulations.

We are planning to review schools, lenders, and eligible lender trustees and, in fact, have begun our on-site visits.

4. One of the things Chairman Miller has asked you to implement is "emergency regulations" to put an end to some of the practices that have been in the media lately. To your knowledge, has the Department ever enacted "emergency regulations?" Does the Department even have the legal authority to enact "emergency regulations" for an activity like this?

In our May 9th written response to the Chairman, we provided a detailed answer to the question of "emergency regulations." First, it is incorrect to suggest that the Department possessed the authority under current law to "immediately publish emergency regulations" on "inducements and bribes." Section 492(b)(2) of the Higher Education Act of 1965 (HEA), states that the Department must conduct negotiated rulemaking "unless the Secretary determines that applying such a requirement with respect to given regulations is impracticable, unnecessary, or contrary to the public interest" within the meaning of section 553(b)(3)(B) of title 5, United States Code.

In addition to the requirements for negotiated rulemaking, the Administrative Procedure Act provides, in 5 USC 553(b), that the Department must allow for public notice and comment when undertaking rulemaking unless "the agency for good cause finds ... that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest." As interpreted by the courts, rulemaking is considered "impracticable" when execution of the agency's statutory duties would be unavoidably prevented by undertaking public rulemaking. Notice and comment is "unnecessary" in those limited situations in which the administrative rule is a routine determination, insignificant in nature and impact, and inconsequential to the industry and to the public. Finally, "contrary to the public interest" applies only in the narrow circumstance when the interest of the public would be defeated by any requirement of advance notice of rulemaking, such as when announcement of a proposed rule would enable financial manipulation that the rule sought to prevent.

Accordingly, the matters referred to by Chairman Miller do not fit any of the exceptions to the negotiated-rulemaking requirement or the notice-and-comment requirement. Any regulatory action on lender issues by the Department would not be routine, insignificant, or inconsequential. Moreover, notice-and-comment rulemaking would not "unavoidably prevent" the Department from fulfilling its responsibilities to provide federal financial assistance or perform other functions.

Finally, given the intense interest in financial aid issues, it would be impossible to argue that preventing notice and comment could be in the "public interest." And even if some emergency authority for waiving the proposed rulemaking and negotiated rulemaking requirement existed, changes to the federal student financial aid regulations published by the Department cannot, because of §482(c) of the HEA, be effective until July 1 after the year they are published (and, even then, only if they are published by November 1). The Department has no authority to disregard the November 1 deadline. Thus, any regulations published now cannot take effect until July 1, 2008.

5. There seems to be a lot of confusion about what is a prohibited inducement even though the law is clear about not paying a school for loan applicants. The Department issued guidance explaining the law when it was first enacted and it has not significantly changed since its enactment more than 15 years ago. Do we have a problem with the law or is this really more of an ethics issue for colleges?

In order to answer the question of whether the law is insufficient or not, a dialogue is necessary among the various stakeholders.

6. The bill we passed yesterday addresses the ethics issue but it did nothing to address the statutory provision on inducements so if this is a problem with the law, what should Congress do to solve the problem?

If Congress determines that the law is not adequate in addressing the issue of inducement, then Congress should amend the law.

7. While the press has been pointing to a report by the Office of the Inspector General that alleges that the close relationship the Office of Federal Student Aid has with lenders and guaranty agencies has impeded FSA's ability to do proper compliance and oversight of these entities, that is not what I have seen or heard from companies in my state. What are your thoughts on this?

I hold the employees at the Department of Education in high regard. Collectively, they are dedicated and committed to ensuring that borrowers have a competitive and robust system at their disposal. In addition, they value maintaining the integrity of that system.

With regard to hiring, the business community seeks individuals who meet certain requirements for their jobs. In many cases, these requirements include a skill or knowledge set around the particular job. In fact, Congress hires individuals to

staff key positions on Committees with individuals who have a background in the appropriate specialized field. I would venture to guess that some banking experience would be necessary to be considered for a policy-level position at the Committee on Financial Services. As such, it is wholly appropriate and, indeed, responsible for my Department to seek individuals who have a background in certain areas of education. With regard to the duties required of someone who works in the Federal Student Aid, most of the strongest candidates come from the lending community, as they have the requisite knowledge and understanding of the system.

8. From the various reports that have been released, including the report issued by Senator Kennedy yesterday, it is clear that mistakes were made in the implementation of the program related to conflicts of interest, mismanagement, and curriculum control. In your testimony, you outline many of the things that the Department has done or is doing to respond to these various reports. As you know, last month I introduced H.R. 1939, the Reading First Improvement Act, to address many of those findings related to conflicts of interest, mismanagement, and curriculum control. Many of the provisions in this bill codify steps you are already taking. Do you believe H.R. 1939 reflects the approach that Congress should take to provide the Department more clarity in terms of how the Department should implement this unique program? How can Congress partner with you to strengthen this program going forward?

As you note, the Department has implemented all of the recommendations in the Office of Inspector General's (OIG) inspection report on an expedited basis and, in some cases, went beyond what was suggested by the OIG to implement improvements. This should be very helpful in the effective implementation of the Reading First program and build on the many successes of the program. The provisions in H.R. 1939 are consistent with, and supplement well, the actions the Department has taken. The implementation of corrective measures and the provisions in H.R. 1939 will help to further ensure the integrity, objectivity, and transparency of the Reading First program. We look forward to working with Congress on this issue.

9. Madam Secretary, it is clear from the Inspector General's reports that some states felt pressured at different points during the implementation of the program and that the application process was not perfectly transparent, and I hope that we can fix those problems going forward. Yet, I also received a letter following our first Reading First hearing from a state Reading First director speaking very highly of the program and Chris Doherty in particular. This state director was not only thrilled with the program's outcome, he felt those outcomes were directly attributable to the hard work of Chris and others at the Department. You have stated that the [D]epartment has reached out to states to solicit their feedback on the program. How would you characterize state feelings about the program?

I believe that States are very happy with the increases in reading achievement that they are seeing in schools participating in the Reading First program. For example, in California, over 73 percent of school districts participating in Reading First showed improvements in reading comprehension for second graders, while more than 70 percent showed improvement in reading fluency for first graders. In the second grade, proficiency in reading comprehension increased nearly 11 percent for Hispanic students, 10 percent for economically disadvantaged students, and nearly 8 percent for limited English proficient students.

Nationally, students who participated in Reading First are experiencing tremendous gains in reading achievement. On average, States increased the percentage of Reading First students meeting or exceeding proficiency on fluency outcome measures—a 16 percent average gain for 1st graders, 14 percent for 2nd graders, and 15 percent for 3rd graders. Similar increases for reading comprehension outcome measures were also found—a 15 percent average gain for 1st graders, 6 percent for 2nd graders, and 12 percent for 3rd graders.

Rep. Joe Wilson (R-SC):

1. Given the consequences to borrowers of continuing to limit access to NSLDS during a time when many borrowers would like to consolidate their loans, how will the Department communicate with borrowers and industry going forward when issues such as this arise?

Under the current temporary suspension, borrowers are able to consolidate their loans and are able to log onto the NSLDS Borrower website to obtain the data needed to complete the consolidation loan application. We continue to communicate with the community through established means—including postings to Federal Student Aid Websites, Dear Colleague Letters, Dear Partner Letters, and individual letters and emails to industry organizations.

2. I understand that limited notice was provided to users of NSLDS of the restrictions imposed a few weeks ago. What was the process undertaken by the Depart-

ment in determining the amount of notice given to NSLDS users prior to imposing a restriction on the system's access?

Through the Department's ongoing and targeted monitoring of NSLDS, we observed a significant increase in usage by lenders, loan holders, servicers, and guaranty agencies. After consideration of alternatives, the Department, on April 17, 2007, temporarily suspended access to NSLDS by those entities.

Ensuring appropriate access to NSLDS to protect the confidentiality of our borrowers' financial information is our highest priority. The new security measures include two functions and added minimal burden to users. First, after logging into NSLDS, a user is prompted with a box that contains several random letters and/or numbers. The user must correctly enter the information displayed in the box to receive authorization to continue into NSLDS. This process should take less than a few seconds, but provides added security against automated tools logging onto NSLDS. Second, all queries into NSLDS web access requires the user to provide the social security number, date of birth, and first name of the borrower. This added security measure also adds little time to the borrower look-up process but provides an added level of security for borrowers' private financial information.

Additional security measures are currently being researched. If these new security features change the system in such a way that users will need training or notice, we will communicate this change to the community.

3. I understand that the restrictions on the system are beginning to be lifted for guaranty agencies. How long to you expect that the restrictions will continue to be in place for other users of the system?

Instructions for Guaranty Agencies and Lenders, including Lender Servicers, were sent on May 2, 2007 and May 15, 2007, respectively, to the Chief Operating Officers of each organization via e-mail. As the entity responds and we review the data, we restore their access. So far, we have restored NSLDS access for 32 out of 36 Guaranty Agencies (89%). We anticipate restoring access to the remainder of the Guaranty Agencies in the near future. We requested additional certifications from lenders and lender servicers and access to these entities will be provided when the requested information is received. To date, we have reinstated access for approximately 11% of the lenders who had accessed the system within the past year and approximately 24% of the lender servicers who had accessed the system within the past year. We are still developing a process to reinstate access for those entities that participate in the program as Eligible Lender Trustees.

4. Madam Secretary, in conducting investigations into the relationships between institutions and lenders, the New York Attorney General submitted notices to many institutions, including an institution in my home state—Clemson University. It is my understanding that Clemson received funds that it puts towards need-based grant aid to students through an arrangement it has with a private loan lender. The South Carolina Attorney General Henry McMaster reviewed the agreement, at the urging of Attorney General Andrew Cuomo, and found nothing wrong with the agreement. Since this is a private loan arrangement, do you have any authority over these arrangements and is it an illegal inducement under the HEA?

The HEA proscribes inducements paid by lenders to secure applications for FFELP loans, and the HEA gives the Department authority to take action where such inducements are made. We have not reviewed either the text of, or circumstances surrounding, the agreement with Clemson University you refer to, and thus, have no opinion whether this agreement constitutes an inducement within the scope of the HEA.

5. Do you have suggestions for how the federal government should respond to issues when attorneys general in 2 different states disagree about what constitutes inappropriate behavior?

Our understanding is that the attorneys general of New York and South Carolina do not disagree about the propriety of the Clemson arrangement. To the contrary, it appears that the facts you describe show deference by one attorney general to the views and authority of the attorney general of another state. This conduct is consistent with the principles of federalism that apply to any response by the Department: the Department's authority extends under current law only to determining whether payments were made by lenders to "...secure applicants for loans under the [FFELP]", 20 U.S.C. §1085(d)(5)(A), and, if so, taking action regarding the lender and the loans in question. The authority of state attorneys general extends to whether conduct by either lenders or schools violated state law(s). In some instances, the conduct under scrutiny may be the same as examined by the Department. The respective authorities of the Department and states differ, and no conflict arises from each pursuing their own responsibilities with respect to that conduct.

Rep. Tom Petri (R-WI):

I. Department Loan Program Mismanagement

1. Given the prevalence of unethical relationships between lenders and financial aid offices, would you agree that the Department has failed to provide sufficient leadership to prevent and identify these practices?

I do not agree. Under my leadership, the Department raised these issues in its announced intention to enter into negotiated rulemaking nearly a year ago.

2. Can you explain the Department's failure to implement gift and ethics regulations, as it was advised to do in 2001 and again in 2004 after the Financial Aid Administrators Assn' failed to adopt industry standards?

The Department issued guidance on prohibited inducements to the student loan community in 1989. That guidance, along with some limited additional guidance issued in 1995, was incorporated into the Federal Student Aid Handbook. For most of the intervening period, lenders, guarantee agencies and institutions appeared to have been abiding by the Department's guidance.

That began to change, however, as competition for loan volume, particularly consolidation volume, intensified. The Department began to observe some lender's practices that did not appear to be compliance with the prior guidance. In certain instances we directed the offending lenders to cease the practice and take certain corrective actions.

By late 2004, the Department recognized the need to provide more definitive guidance and worked on a Dear Colleague letter. However, the Department determined that, to be more enforceable, the requirements would need to be incorporated into the student loan regulations and began to plan for rulemaking when the reauthorization of the Higher Education Act occurred. However, a comprehensive reauthorization did not—and still has not—occurred. Despite this fact, the Department decided in June 2006 to begin rulemaking to address this and other urgent issues. Rulemaking in the student loan area is governed by Section 492 of the Higher Education Act of 1965, which requires the Department, before publishing proposed regulations, to obtain public involvement in the development of the proposed regulations.

The Department held regional hearings in Berkeley, California; Chicago, Illinois; Orlando, Florida; and Washington, DC during the fall of 2006 to determine public interest in topics for negotiated rulemaking. In addition, we invited parties to submit topics for consideration in writing.

After obtaining advice and recommendations from individuals and representatives of groups involved in the Federal student financial aid programs, the Department must subject proposed regulations to negotiated rulemaking. On December 8, 2006, we published a notice in the Federal Register (71 FR 71117) announcing the establishment of two negotiated rulemaking committees: the Loans Committee, to address topics related to the Federal student loan programs authorized by Title IV, Parts B, D, and E of the HEA, and the American Competitiveness Grants (ACG) and National SMART Grant Committee, to address issues related to those two new programs. On January 30, 2007, we published another notice in the Federal Register (72 FR 4221) announcing the establishment of two more committees: the General Provisions Committee, to address programmatic, institutional eligibility, and general provisions topics related to Title IV, Parts A (except for Academic Competitiveness Grants (ACG) and National SMART Grant programs), C, G, and H (except subpart 2) of the HEA, and the Accreditation Committee, to address accreditation topics (Title IV, Part H, Subpart 2 of the HEA). The Loans Committee met to develop proposed regulations over the course of several months, beginning in December 2006.

Since the last meeting of the Loans Committee, we developed an NPRM that we believe fully addresses the issues that have been identified on preferred lender lists and prohibited inducements. That NPRM was published on June 12, at 72 FR 32410.

3. It's become increasingly clear that various Department officials failed to act to prevent subsidy abuse and unethical lender practices over the last decade. Would you agree that these officials should be held to account for their mismanagement?

I do not share your view that Department officials have failed to act to prevent abuses and unethical practices. The Department has investigated and continues to investigate practices that appear inappropriate. Let me assure you that we will continue rigorous oversight of these activities.

II. Nelnet $278 Million Settlement

You recently forgave $278 million to student lender Nelnet, which manipulated subsidies to bill taxpayers at the 9.5% rate. I received your response within an hour prior to this hearing:

1. How do you justify your decision, given Nelnet's brazen abuse and manipulation of taxpayer funds, not to try to fully collect these payments?

The Department exercises oversight over all higher education lenders that participate in programs under Title IV, Part B of the HEA. Indeed, the Department has exercised due care in resolving very complex questions about the use of special allowance payments (SAP) at the 9.5 percent rate on Federal Family Education Loan Program (FFELP) loans under Title IV. We continue to carefully scrutinize FFELP loans to determine whether the loans are from eligible sources, and thus qualify for the 9.5 percent SAP.

(1) Actions in Regard to Lenders' Use of 9.5 Percent SAP and Oversight of Additional Lenders.

In our "Dear Colleague" letter of January 23, 2007, which enclosed a more detailed letter that was sent to all lenders claiming 9.5 percent SAP, the Department stated it would not pay any further 9.5 percent SAP on loans other than first-generation or second-generation loans. We advised each lender that sought the 9.5 percent SAP that an audit of its loans would be required to verify the loans were first- or second-generation loans. Additionally, to receive the 9.5 percent SAP, we advised that a lender must provide, with each billing submitted to the Department, a management certification that all such loans are first- or second-generation loans. In a second "Dear Colleague" letter issued April 27, which also enclosed a letter sent to all affected lenders, we provided an Auditor Guide that explained how the required audit must be conducted, and we explained the methodology on which the audit procedures are based. Lenders may use an independent auditor of their choice, or may have the audit conducted by an audit firm that will be retained by the Department. We enclose copies of these letters

(2) Nelnet, Inc. (Nelnet) Settlement.

By way of background, the Department's Office of Inspector General (OIG) issued an audit report on September 29, 2006 analyzing certain Nelnet practices regarding 9.5 percent SAP (Special Allowance Payments to Nelnet for Loans Funded by Tax-Exempt Obligations, ED-OIG/A07F0017, hereinafter "IG Audit Report "). The IG Audit Report found that Nelnet had used an ineligible funding source to acquire loans on which it had claimed SAP at the 9.5 percent minimum return rate. OIG estimated that Nelnet was improperly paid as much as $278 million in special allowance payments for these loans from the quarter ending March 31, 2003 through the quarter ending June 30, 2005, and that Nelnet could be improperly paid as much as $882 million for the ineligible loans in the months and years after June 2005 if Nelnet's billings are not corrected. OIG recommended that the Chief Operating Officer (COO) for Federal Student Aid (FSA) instruct Nelnet to exclude all the affected loans from future claims for payment at the 9.5 percent minimum return rate, and require Nelnet to calculate and repay the amounts overpaid on these loans.

Nelnet filed a response to the report on November 14, 2006. In its response, Nelnet argued it was entitled to retain all 9.5 percent SAP previously paid to it by the Department on FFELP loans. Nelnet further argued it was entitled to receive the 9.5 percent SAP on billings in future years over the life of the bond(s), which, as noted earlier, the IG Audit Report had estimated might total as much as $882 million, or more than triple what the Department already paid out.

The disputed statute and regulation at issue in the IG Audit Report involved novel and complex questions of law. No court has rendered any decision interpreting this specific statutory provision or regulation. Upon a thorough review of the IG Audit Report, the statute and regulation in question, and Department practices, and considering potential litigation risks and costs, the inherent uncertainty pending a definitive court decision (and any appeals), and the potential for an unfavorable decision, the Department settled its claims against Nelnet. The settlement ensured that the estimated $882 million of improper payments (less amounts paid for the period from July 1, 2005 through June 30, 2006) would be saved or not paid out by the Department to Nelnet in future years, while resolving disputed claims over past payments that could have resulted in protracted and costly litigation, potentially delaying resolution of these matters for several years.

(3) January 23, 2007 Dear Colleague Letter.

The Department has not changed policy with regard to 9.5 percent SAP. The regulation governing eligibility of student loans for 9.5 percent SAP dates to 1993. This same regulation was the subject of our Dear Colleague letter of January 23, 2007. The statutory authority underlying the regulation has been in place even longer—since 1980.

As stated in the Dear Colleague letter, "[r]ecent examination of activities involving tax-exempt financing of [FFELP] loans indicates that it is appropriate to restate the * * * regulations that control whether FFELP loans * * * [are] eligib[le] for

SAP." (emphasis added). The Dear Colleague letter (and the corresponding letter sent to lenders) simply advised other lenders that we would not pay 9.5 percent SAP on loans other than first-generation or second-generation loans, as set forth in the regulation. Further, the Department required lenders to take certain actions as a condition for receiving the 9.5 percent SAP. This approach was consistent with the legal requirements restated in the Dear Colleague letter that loans other than first-generation and second-generation loans are not eligible for 9.5 percent SAP.

The Department also offered lenders the opportunity to resolve any liability for the return of previously received 9.5 percent SAP for loans other than first- or second-generation loans. To do so, lenders were required to take the steps specified in the Dear Colleague letter and forego asserting any claim to continued receipt of 9.5 percent SAP for loans other than first- or second-generation loans. We further noted that, should any lender bring a cause of action against the Department for continued receipt of 9.5 percent SAP on loans that are neither first- or second-generation loans, the offer in the January 23 Dear Colleague letter to resolve any liability would be retracted. In such a case, we would confer with the Department of Justice about the advisability of filing any counterclaim against the lender for all 9.5 percent SAP previously paid to that lender on loans that were neither first- or second-generation loans. Alternatively, we could exercise the option of recovering those funds through administrative offset against any payments then owed the lender.

2. Can you please provide all other lenders, subsidy figures and loan volume in question with regards to 9.5%?

This information is provided in the enclosed table.

3. You indicated that you would conduct audits of all other potential 9.5% abusers before offering any further forgiveness.

a. Have any additional settlements been reached and;

b. Do you still intend to offer forgiveness on a case-by-case basis in accordance to the audit results?

The only written settlement agreement entered into by the Department regarding 9.5 percent SAP is with Nelnet. The other "settlements" will occur by practice on the part of the lenders. The attached letter to the January 23, 2007 Dear Colleague Letter to individual lenders sets forth the steps that must be followed for lenders to receive any additional 9.5 percent SAP, and settle any potential Department claims on previous overpayments. Therefore, the Department does not expect, or require, a lender to execute any document to memorialize acceptance of the offer. A lender can accept the Department's offer simply by the conduct described in that offer.

4. According to some legal analysts, neither individual taxpayers nor the Department of Justice has the legal authority to challenge your settlement, only the lender.

Because the Higher Education Act gives the Secretary independent authority to compromise claims arising under the FFEL program, we agree that neither individual taxpayers nor the Department of Justice has authority to challenge the Department's settlement with Nelnet. That said, the Department of Justice is not foreclosed from pursuing, as appropriate, separate remedies under other applicable provisions of the law, including under the False Claims Act.

5. Would you agree that Congress should include an oversight mechanism in HEA for future settlements, given the large sums of taxpayer funds at stake?

An additional oversight mechanism is not necessary. The Department has authority under the HEA to compromise claims under the FFEL program and has exercised that authority properly.

III. Guaranteed Loan Program

The Bush Administration's Office of Management and Budget and Treasury Department along with the Congressional Budge Office and Government Accountability Office, and private economists have all agreed that the guaranteed loan program is significantly more expensive than the Direct Loan alternative—costing taxpayers an estimated $3-5 billion annually in excess subsidies

1. Would you agree that these wasteful subsidies in the guaranteed program are a product of a structurally broken system?

The Administration strongly supports the continued availability of both guaranteed and direct student loans. Competition between these programs, and among lenders in the guaranteed program, enhances borrower and institutional choice and drives innovation and improved service in both programs. That said, the President's FY 2008 Budget includes a comprehensive set of reforms that reduce costs, streamline operations, and increase efficiency in the guaranteed loan program.

2. Would you agree that a market-based loan guarantee would reduce wasteful spending by requiring lenders to competitively bid for taxpayer subsidies?

The Administration believes the comprehensive package of proposals included in the FY 2008 Budget represents the best approach to enhancing the efficiency and effectiveness of the student loan programs for students, schools, and taxpayers.

3. Why did it take the Administration six years to publicly recognize on the excess subsidies in the guaranteed loan program given the strong supporting evidence?

The Administration has long proposed structural reforms to improve the efficiency of the student loan programs. The FY 2005, 2006, 2007, and 2008 President's Budgets have all included major student loan proposals to expand risk-sharing, increase efficiency, streamline operations, and reduce costs to the taxpayer.

4. Can you provide a complete list of FFELP lenders and federal subsidy payments for the most recent year that data is available?

Attached is a summary of special allowance subsidies (both regular and tax-exempt) provided to lenders in 2006.

IV. Misc. Direct Loan Question

1. The Higher Education Act (Section 455) mandates that the Direct Loan program provide "the same terms, conditions, and benefits" as the FFEL program. The only lender to provide federal loan borrowers lower interest rates in recent years has been MyRichUncle, which has offered 5.8% rates. Reducing Direct Loan interest rates to 5.8% as MyRichUncle has would save the typical student borrower $1,000 in student loan payments.

In 1999, Secretary Riley enforced this provision and lowered Direct Loan program fees to match the lower origination fees that guaranteed lenders were offering.

Why hasn't the Bush Administration lowered interest rates for Direct Loans to match the lower interest rates being offered by guaranteed lenders like MyRichUncle?

Former Secretary Riley used his authority to provide a reduced interest rate, in the form of an upfront interest rebate, as a repayment incentive as provided for under Section 455(a)(8) of the HEA. He did not provide an across-the-board interest rate reduction as you suggest because that would have been inconsistent with precise language of the statute that you referenced, which reads: "Unless otherwise specified in this part, loans made to borrowers under this part shall have the same terms, conditions, and benefits, and be available in the same amounts, as loans made to borrowers under sections 428, 428B, and 428H of this title." Interest rates are clearly specified in the part and, thus, cannot be reduced except as done by Secretary Riley, as a repayment incentive.

Rep. Mark Souder (R-IN):

1. Madam Secretary, can you tell us what statutory authority exists in the Higher Education Act that allows schools in the Direct Loan program to force students and parents to borrow from the government, thereby restricting their free choice in selecting a student loan lender?

The Higher Education Act of 1965, as amended, created the William D. Ford Federal Direct Loan (DL) program as an alternative to the Federal Family Education Loan program. By law, institutions must apply to participate in the DL program. Once the institution is accepted for participation in the program, the institution can choose to continue to make FFEL loans available to students or not. That is reflected in the agreement that each institution has with the Department. The choice of whether to permit a student (or parent in the case of PLUS) is left to the institutions subject to the exercise of Secretary's discretion pursuant to Section 454(a)(4) of the HEA.

2. Considering much of the current discussion began as a result of lenders complaining that schools were restricting the choices of students and parents, how do you justify allowing the Direct Loan program to eliminate all choices and forcing students to borrow from one lender?

As noted above, by statute, borrower choice is provided for within the FFEL program. The DL program clearly provides institutions with the choice to participate in that program.

Institutions have made the choice to participate in the DL program for a variety of reasons.

When the institution decided to apply to participate in the DL program, it provided reasonable benefits when compared to the FFEL program for students attending similar institutions. Many of the institutions that participate in the DL program are for-profit trade and technical schools that haven't benefited from the competition for loan volume that has been evident in recent years. Thus, the terms and conditions available in DL are comparable to those provided in FFEL for those schools.

In addition, some institutions found the DL program made it simpler for them to administer the Federal aid programs by having a single funding source (ED) and

a single mechanism for delivering those funds. This makes it easier for the financial aid office to package and disburse aid to students quickly and efficiently.

3. There has been a proposal in Congress that would bribe schools to join the Direct Loan program with the lure of potential grant funds. What is your opinion of that proposal? Could the Department of Education handle a substantial increase in Direct Loan volume? Do you support bribing schools in this fashion or would you prefer that a robust level of competition continue to exist between the two loan programs?

We do not support the proposal that some in Congress have put forward to encourage institutions to join the DL program. We believe that grant funds should be increased overall from savings that are achieved through reductions in lender subsidies in the FFEL program. To provide grant funds only to institutions that participate in the DL program, as some have proposed, would be inequitable.

With appropriate notice and resources, the Department could over time increase operations to accommodate the projected increase in volume.

Finally, we agree with you that it is important to continue the robust competition that exists between the two loan programs and among the FFEL lenders. This competition has greatly improved the quality of service and reduced costs for borrowers and taxpayers.

4. Included in H.R. 890, The Student Loan Sunshine Act, was a provision that required institutions with preferred lender lists to disclose to both you and the public why the lenders were placed on that list. The Democrats opposed including a provision that was in H.R. 1994, The Financial Aid Accountability & Transparency Act, which required Direct Loan schools to disclose why they selected the Department as their lender. It seems to me that if one argues that the students need to know why a school selected 3 to 4 lenders in the FFEL program, then it is even more important that students be give that same information when their school only selects ONE lender for them just like a school does in the DL program. What do you think about that?

We are not opposed to the inclusion in a Sunshine Act of a provision that requires institutions to explain their choice to participate in the DL program either exclusively or in combination with the FFEL program.

[VIA FACSIMILE],
May 23, 2007.

Hon. MARGARET SPELLINGS, *Secretary of Education,*
U.S. Department of Education, Washington, DC.

DEAR SECRETARY SPELLINGS: Following the letter sent to you on May 16, 2007, we have collected further questions the Committee would like answered for the record.

During the course of the hearing, Members of the Committee asked questions which you were unable to respond to at the time. We now respectfully request that you respond to these questions. Additionally, I have personally asked two final questions so that we may have a total understanding of the testimony you provided at the May 10, 2007 hearing. Please provide your responses to these questions in Word format by COB on Friday, May 25, 2007. If you have any questions, please do not hesitate to contact Michael Zola, Chief Investigative Counsel for the Committee at (202) 226-9403.

Sincerely,

GEORGE MILLER,
Chairman.

Ranking Member Howard "Buck" McKeon (R-CA) asked you to respond to the following questions for the record:

1. "In comparison to the Clinton administration, can you tell us how many program reviews and audits were handled by the Federal Student Aid Office during the Clinton administration and the current one?"

2. Additionally, please provide a comparison of the past 20 years in number of reviews and audits.

3. What actions did the Clinton administration take to limit 9.5 payments following their 1996 "Dear Colleague" Letter which increased the number of loans eligible for 9.5?

Representative Thomas Petri (R-WI) asked you to respond to the following question for the record:

1. How many other potential claims are there similar to Nelnet?

Representative Luis Fortuno (R-PR) asked you to respond to the following questions for the record:

1. In your view, what are the chronic problems that plague the Puerto Rico Department of Education (PRDE) and prevent them from reaching peak performance? Why are they continuing to fail in providing a decent education to Puerto Rico's 575,000 public school children?

2. How do you plan for better Federal oversight of the PRDE? Clearly, the plans they have proposed for improvement are not at all effective. In your response, I would like to see a detailed timeline, a list of benchmarks for success, and deadlines for improvement. In addition, I would like to receive bimonthly written updates upon receipt of your response.

3. My staff and the Congressional Research Service have had continual problems obtaining reliable data on NCLB implementation in Puerto Rico. My staff was advised by your employees that the PRDE only recently agreed they needed to update their data collection systems. What progress have they made in that area, and what new data have they submitted in recent weeks?

4. How is your Department helping to increase the PRDE's staff retention?

5. As Representative of the 4 million citizens of Puerto Rico, it is my responsibility to help ensure that Puerto Rican children receive a quality public school education and that NCLB guidelines are followed. As we have identified the PRDE's widespread mismanagement, what recommendations do you have for me in my role as Member of the Committee to improve Puerto Rico's situation? How do you think I can serve in the most helpful role in NCLB reauthorization?

I, Chairman George Miller (D-CA) ask that you respond to the following questions:

1. In your written statement, you note that the Department is investigating whether there have been violations of the anti-inducement provisions of the HEA and that FSA has teams performing on-site reviews of 44 schools and 26 lenders. When were these teams established? For each of the 44 schools and 26 lenders, please provide the date(s) on which FSA teams performed an on-site review. Also, please provide the guidance, standards, and criteria the Department has provided to these teams to conduct these on-site reviews for the purpose of establishing violations or potential violations of the anti-inducement provisions of the HEA.

2. In your written statement, you note that the Department has issued schools 124 citations and assessments totaling nearly $4.4 million for lack of administrative capability over the last 5 fiscal years. How many of these citations involved violations or potential violations of the anti-inducement provisions of the HEA? How many of these citations involved schools' administration of the title IV student loan programs? Please specify the number of schools that had violations, the specific violations, and the number of violations for each school, by fiscal year. How many of these violations were identified as a result of on-site reviews conducted by FSA?

Responses to May 23, 2007 Written Questions for the Committee on Education and Labor

Rep. McKeon

1. In comparison to the Clinton Administration, can you tell us how many program reviews and audits were handled by the Federal Student Aid Office during the Clinton administration and the current one?

Federal Student Aid monitors schools and lenders that participate in the Title IV federal student aid programs by reviewing required annual compliance audits and financial statements, performing on-site program reviews, and analyzing industry data to detect trends and areas that could be of concern. Thirty-five thousand eight hundred and seventy five (35,875) program reviews, on-site program reviews, reviews of annual compliance audits received and reviews of financial statements received for schools, lenders, guaranty agencies, and third-party servicers were completed by Federal Student Aid for six fiscal years beginning in FY 2001 and continuing through FY 2006. While we do not have comparable data for the full prior eight-year period, between FY 1994 and FY 1999, Federal Student Aid completed thirty-five thousand three hundred and seventy four (35,374) such reviews for schools, lenders, guaranty agencies, and third-party servicers participating in our programs.

2. In addition, please provide a comparison of the last 20 years in number of reviews and audits.

We have data for the past 13 years. Since FY 1994, the Department has conducted well over 70,000 on-site, annual compliance audit or financial statement re-

views of schools and lenders participating in the Title IV programs. Thus, the requested comparison shows that about the same number of program reviews and audits had been conducted during the six-year period FY 94—FY 99 as were conducted in the six-year period FY 01—FY 06.

3. What actions did the Clinton administration take to limit 9.5 payments following their 1996 "Dear Colleague" letter which increased the number of loans eligible for 9.5?

We know of no specific government actions, prior to legislative changes in 2004, to limit increases for any reason in the number of loans eligible for 9.5 percent SAP. However, the question refers to the 1996 Dear Colleague Letter as increasing the number of loans eligible for 9.5 percent SAP. Because the Dear Colleague simply interpreted existing regulations, the letter did not change those regulations to make eligible for 9.5 percent SAP loans that were not otherwise eligible for 9.5 percent SAP under the HEA and Department regulations. The Dear Colleague Letter may have made lenders aware of latitude already available under those existing regulations, and may have prompted lenders in later years to engage in practices that increased the number of loans eligible for 9.5 percent SAP over what they might otherwise have acquired and treated as eligible for 9.5 percent SAP. However, the Dear Colleague Letter, as we have explained repeatedly, in no way supported the practice of Nelnet or other lenders that treated loans which were neither first-generation nor second-generation loans, as explained in Dear Colleague Letter FP-07-01, as 9.5 percent SAP-eligible.

Rep. Thomas Petri

1. How many lenders have made claims similar to Nelnet and what is the loan volume associated with these claims for 9.5% subsidy?

Nelnet's Project 950 was unique in its scope. The Department has not conducted reviews to determine whether other lenders made "similar claims," and if so, to what extent such claims were made. As to the question of loan volume, please see the 9.5% Summary Excel File (Attachment 1), which presents all 9.5% volume, billed each year, as of September 30, 2007.

Rep. Fortuno

1. In your view, what are the chronic problems that plague the Puerto Rico Department of Education (PRDE) and prevent them from reaching peak performance? Why are they continuing to fail in providing a decent education to Puerto Rico's 575,000 public school children?

The major problems that need to be addressed include the following: the need to improve the functioning of a complex financial management system; the hiring and retention of qualified management staff to oversee Federal programs; the establishment of an independent internal audit capability; and the development of a reliable academic data management system required for decisions leading to informed academic instruction decisions and improved student learning. Additional problems have been identified in annual single audits, and other monitoring, audits and reviews. For example in the most recent single audit, the problems identified included the following: delays in implementing corrective steps in developing internal audit capability; deficiencies in the time distribution system and in payroll processing; and deficiencies in procurement documentation, and in equipment inventory due to transactions not being properly recorded. PRDE is making progress on some of these items and those mentioned above, but further progress is important in improving the provision of education to students in Puerto Rico.

2. How do you plan for better Federal oversight of the PRDE? Clearly, the plans they have proposed for improvement are not at all effective. In you response, I would like to see a detailed timeline, a list of benchmarks for success, and deadlines for improvement. In addition, I would like to receive bimonthly written updates upon receipt of your response.

The Department has a risk management team that works very closely with each of the Department's program offices and PRDE to ensure that there is appropriate monitoring of these and other issues, to help provide appropriate technical assistance to PRDE, and to hold PRDE accountable for progress towards compliance with all applicable Federal program and fiscal requirements. This team meets with PRDE quarterly to review progress of the current corrective action plans that were implemented under the current compliance agreement between the Department and PRDE, and to provide technical assistance. Based on two and a half years of implementation of the action plans, the team has determined that PRDE's plans for improvement were somewhat effective, and helped PRDE make progress in certain areas. PRDE's expectation, however, that the improvements needed could be

achieved in 3 years was not, in all cases, realistic. Federal oversight has resulted in several letters regarding compliance with NCLB, which include timelines and benchmarks and consequences for noncompliance. The letters are attached for your reference (Attachment 2).

3. My staff and the Congressional Research Service have had continual problems obtaining reliable data on NCLB implementation in Puerto Rico. My staff was advised by your employees that the PRDE only recently agreed they needed to update their data collection systems. What progress have they made in that area, and what new data have they submitted in recent weeks?

PRDE recently submitted their proposed EDFacts Transition Plan for providing data including NCLB data for 2006-07, 2007-08, and 2008-09. The Plan is currently being evaluated by the Department. PRDE also recently submitted a Highly Qualified Teacher Plan, which is currently being evaluated by the Department.

4. How is your Department helping to increase the PRDE's staff retention?

Retention of qualified staff is an important area for improvement that was identified jointly by the Department and PRDE. However, while the Department is encouraging attention to this problem of staff retention, the resolution of this concern appears to involve matters that are primarily ones that should be resolved locally and not through Federal action.

5. As Representative of the 4 million citizens of Puerto Rico, it is my responsibility to help ensure that Puerto Rican children receive a quality public school education and that NCLB guidelines are followed. As we have identified the PRDE's widespread mismanagement, what recommendations do you have for me in my role as Member of the Committee to improve Puerto Rico's situation? How do you think I can serve in the most helpful role in NCLB reauthorization?

I appreciate that you have shared your concerns for the education of the children of Puerto Rico. We look forward to working with you to address the concerns you have expressed in these questions and during the May 10 hearing as we continue to provide assistance and hold PRDE accountable for improving the management of Federal grants and improving student achievement.

Chairman George Miller

1. In your written statement, you note the Department is investigating whether there have been violations of the anti-inducement provisions of the HEA and that FSA has teams performing on-site reviews of 44 schools and 26 lenders. When were these teams established? For each of the 44 schools and 26 lenders, please provide the date(s) on which the FSA teams performed an on-site review. Also, please provide the guidance, standards and criteria the Department has provided to these teams to conduct these on-site reviews for the purpose of establishing violations or potential violations of the anti-inducement provisions of the HEA.

Federal Student Aid established the teams conducting those reviews referenced in the May 10 testimony in April 2007. Of the reviews referenced in that testimony, to date, we have conducted inducement reviews at the University of Wisconsin-Milwaukee, Student Loan Express and Fifth Third Bank. We are in the process of conducting three additional school reviews and plan to conduct two additional school, three lender and one Eligible Lender Trustee reviews later this summer. We will continue to schedule and perform reviews at the remaining educational and financial institutions.

In order to ensure effective reviews, we do not disclose the specifics of the program review procedures that we use to review these organizations. However, general areas of review will include:

- Agreements, policies, practices or procedures between schools and lenders, loan holders, servicers, software providers or marketing firms acting on their behalf;
- Participation by school personnel on advisory boards of lenders, loan holders, servicers or software providers;
- Consulting or other paid relationships or agreements between school officials and lenders, loan holders, servicers or software providers;
- Financial interest by school personnel in lender, loan holders, servicers or software providers; and
- Compensation provided to schools personnel by lender, loan holders, servicers or software providers.

2. In your written statement, you note the Department has issued schools 124 citations and assessments totaling nearly $4.4 million for lack of administrative capability over the last 5 fiscal years. How many of these citations involved violations or potential violations of the anti-inducement provisions of the HEA? How many of these citations involved schools' administration of the title IV student loan programs?

Please specify the number of schools that had violations, the specific violations, and the number of violations for each school, by fiscal year. How many of these violations were identified as a result of on-site reviews conducted by FSA?

As we indicated, through our on-site program reviews, we identified some 236 instances (including the 124 mentioned in the statement) in which schools demonstrated failures to administer Federal student aid according to general administrative requirements, as opposed to violations of specific program rules. These findings were not for violations of the inducement provisions. In these 236 instances we cited the schools and we required corrective action, even though the deficiencies may not have caused a specific, identified misuse of Federal funds. We also identified in these reviews numerous instances—totaling some $4.4 million—in which these very deficiencies actually resulted in improper expenditures of Federal student aid, for which the school is liable.

The following chart details the number of violations (including the original 124) cited by deficiency by year; all but 10 of which were identified in our on-site program reviews.

Deficiency	2002	2003	2004	2005	2006	Grand Total
EXCESSIVE DROP OUT/WITHDRAWAL RATE		3		2	2	7
INADEQUATE INTERNAL CONTROLS	1	1	1			3
LACK OF ADMINISTRATIVE CAPABILITY	15	23	24	31	20	113
INSUFFICIENT PERSONNEL	2					2
SATISFACTORY ACADEMIC PROGRESS STANDARDS NOT ADEQUATELY MONITORED	14	14	21	21	17	87
FFEL DEFAULT MANAGEMENT PLAN NOT FULLY IMPLEMENTED				2		2
FEDERAL PERKINS LOAN DEFAULT RATE EXCEEDS 15 PERCENT	4	3	5	5	4	21
SATISFACTORY ACADEMIC PROGRESS POLICY NOT ADEQUATELY DEVELOPED	1					1
Grand Total	**37**	**44**	**51**	**61**	**43**	**236**

May 11, 2007.

Hon. GEORGE MILLER, *Chairman,*
Committee on Education and Labor, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN MILLER: During the May 10 hearing on "Accountability for the Department of Education's Oversight of Student Loans and the Reading First Program," in which Secretary of Education Margaret Spellings testified, you reported that Indiana University left the Federal Direct Loan Program as a result of receiving a $3 million dollar line of credit from Sallie Mae. This is incorrect. This false assertion has appeared in some national media and may have been brought to your attention without having been verified.

Indiana University is comprised of seven campuses. Prior to 2003, two of those campuses participated in the Direct Loan Program and five were in the Federal Family Education Loan Program (FFELP). In 2003, Indiana University went through a major software conversion. A review of non-academic services was completed by Arthur Anderson Consultants in 2001. The recommendation was to use either the Direct Loan Program or the FFELP for all campuses. Both programs worked well for Indiana University, but a committee was formed to review the consultants' recommendations and the decision was made to use the FFELP for all campuses. This decision was made independently from any relationship with the lending community.

Indiana University sent a request for proposal for student loan processing to multiple vendors in June 2003. The request for proposal did not include any opportunity loan provisions. The $3 million in opportunity loans was included as a private loan alternative and is not based on loan volume. These funds are used as a last resort loan for students with no other options to fund a college education. Indiana University exhausts all other financing options before suggesting an opportunity loan.

Indiana University did not receive any funds from Sallie Mae for transferring from the Direct Loan Program to FFELP. It was determined that supporting both programs would require additional implementation and maintenance costs for the new student information system. The decision to move to a single system was made in the interest of efficiency, student service and cost savings.

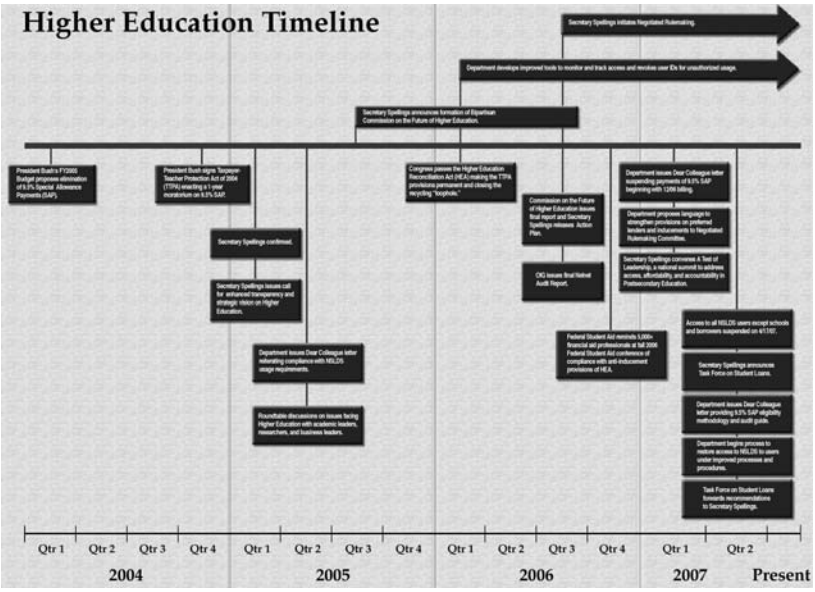
Thank you for the opportunity to respond to the inaccurate statement about Indiana University and the reason for the transfer to the FFELP for two of the IU campuses. It is our hope that the official hearing record would be corrected to reflect

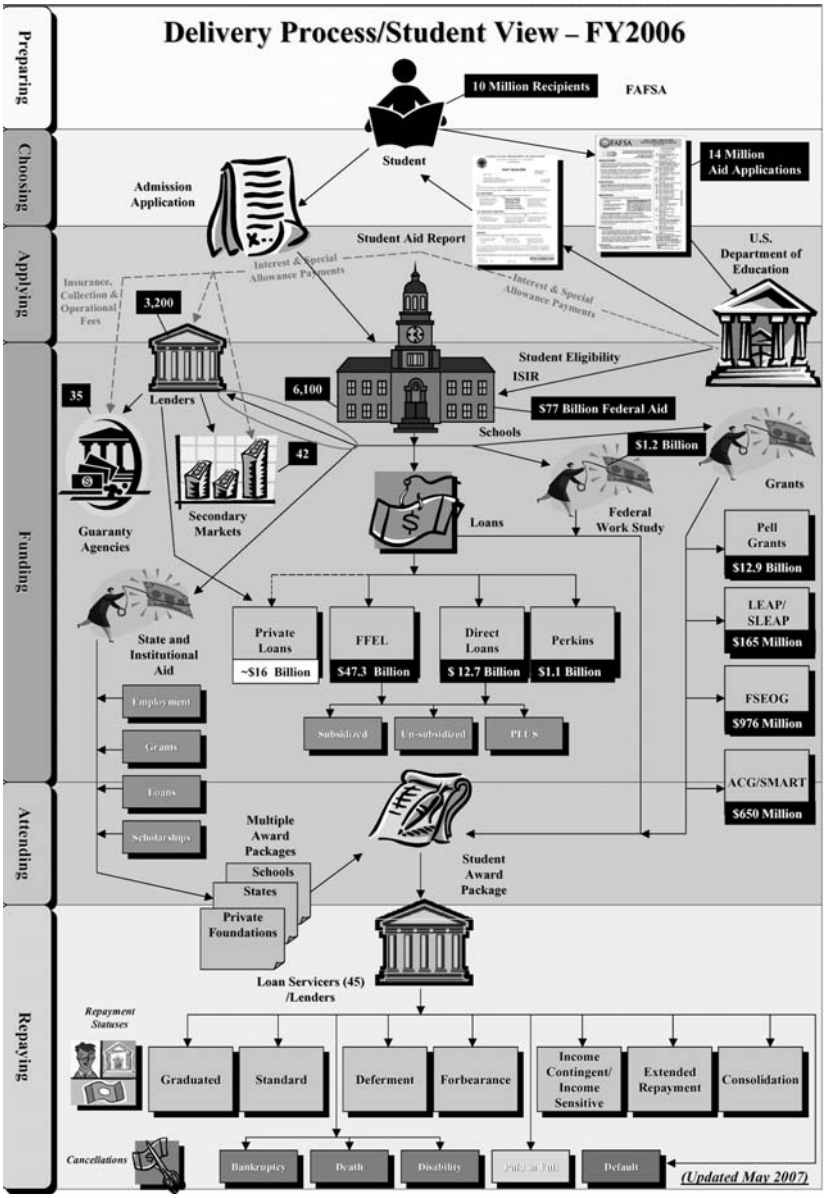
the fact that we did not receive any payments for leaving the Direct Loan Program. We stand ready to provide any additional information on this matter.

Sincerely,

THOMAS C. HEALY,
Vice President for Government Relations.

[Additional submissions from Secretary Spellings follow:]




Delivery Process/Student View – FY2006
Preparing
Choosing
Applying
Funding
Attending
Repaying
10 Million Recipients
FAFSA
Student
14 Million Aid Applications
Admission Application
Student Aid Report
U.S. Department of Education
Interest & Special Allowance Payments
Insurance, Collection & Operational Fees
3,200
Student Eligibility
ISIR
35
Lenders
6,100
$77 Billion Federal Aid
Schools
42
$1.2 Billion
Grants
Guaranty Agencies
Secondary Markets
Loans
Federal Work Study
Pell Grants
$12.9 Billion
LEAP/ SLEAP
$165 Million
FSEOG
$976 Million
ACG/SMART
$650 Million
State and Institutional Aid
Private Loans
~$16 Billion
FFEL
$47.3 Billion
Direct Loans
$ 12.7 Billion
Perkins
$1.1 Billion
Employment
Grants
Loans
Scholarships
Subsidized
Un-subsidized
PLUS
Multiple Award Packages
Schools
States
Private Foundations
Student Award Package
Loan Servicers (45) /Lenders
Repayment Statuses
Graduated
Standard
Deferment
Forbearance
Income Contingent/ Income Sensitive
Extended Repayment
Consolidation
Cancellations
Bankruptcy
Death
Disability
Default
(Updated May 2007)

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202
MAR 7 2007

The Honorable Rafael Aragunde Torres
Secretary of Education
Puerto Rico Department of Education
Post Office Box 190759
San Juan, Puerto Rico 00919-0759

Dear Secretary Aragunde:

Over the past few months, the U.S. Department of Education (Department) has been in contact with the Puerto Rico Department of Education regarding Puerto Rico's compliance with Title I of the *Elementary and Secondary Education Act of 1965* (ESEA), as amended by the *No Child Left behind Act of 2001* (NCLB). The specific issue of noncompliance regards Puerto Rico's fulfilling its obligations under section 1111 of Title I to provide schools timely assessment information and adequate yearly progress (AYP) decisions in order that Title I schools may satisfy their obligations under section 1116.

Annually assessing student achievement against challenging academic standards and holding all schools accountable for making AYP are two of the fundamental principles of NCLB. To ensure that all students reach State academic achievement standards, it is critical that schools receive academic achievement data and AYP determinations prior to the start of the school year so they can most quickly make the necessary changes to their instructional programs and professional development. Further, it is important for parents of students enrolled in Title I schools identified for improvement to know the AYP status of their schools prior to the start of the school year so that they can make informed decisions regarding public school choice and supplemental educational services.

As part of their State accountability plans under section 1111 of NCLB, States are required to provide decisions about AYP in time for schools to implement the required provisions under section 1116 before the beginning of the next academic year. We have learned from Puerto Rico that, although most Puerto Rico public elementary and secondary schools started the 2006-07 school year between early- to mid-August, Puerto Rico did not provide elementary and middle schools with their AYP determinations until September 8; moreover, the high school results were released approximately 2 weeks later. Puerto Rico's delay in providing its Title I schools with their AYP determinations prior to the start of the school year is in violation of section 1111.

Section 1111(g)(2) of ESEA addresses the failure of a State to meet any of the requirements of section 1111 of ESEA. If a State fails to meet any of the requirements of section 1111, the Secretary may withhold funds for State administration under Title I, until the Secretary determines that the State has fulfilled those requirements.

Accordingly, it is the Department's intent to exercise the authority under section 1111(g)(2) to withhold 3 percent of Puerto Rico's Title I, Part A administrative funds for fiscal year (FY) 2006, one percent for every week AYP results were delayed. Three percent of Puerto Rico's Title I, Part A administrative funds for FY 2006 is $135,403.

Puerto Rico has the opportunity within 10 days of receipt of this letter to show cause in writing why the Department should not withhold 3 percent of Puerto Rico's Title I, Part A administrative funds. If Puerto Rico cannot show cause, the Department, as authorized by section 1111(g)(2) of ESEA, will withhold 3 percent of Puerto Rico's FY 2006 Title I, Part A administrative funds.

If you have any questions about this matter, please contact Dr. Catherine Freeman, at Catherine.Freeman@ed.gov, or by calling (202) 401-3058.

Sincerely,

Raymond Simon
Deputy Secretary
Delegated the Authority to Perform the Functions of the Assistant Secretary for Elementary and Secondary Education

cc: Governor Aníbal Acevedo Vilá
Waldo Torres Vázquez
Mariemma López Rosario
Angel Canales Encarnación

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

THE ASSISTANT SECRETARY

MAR 21 2007

The Honorable Rafael Aragunde Torres
Secretary of Education
Puerto Rico Department of Education
P.O. Box 190759
San Juan, Puerto Rico 00919-0759

Dear Secretary Aragunde:

Thank you for submitting additional assessment materials for peer review under the standards and assessment requirements of the Elementary and Secondary Education Act (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB). We appreciate the efforts required to prepare for the peer review and hope that the process provides useful feedback that will support Puerto Rico's efforts to monitor student progress toward challenging standards.

In the Department's letter to you on June 29, 2006, Assistant Secretary Johnson enumerated the fundamental components as well as a number of additional technical issues that had not met the standards and assessment requirements of the ESEA after the first peer review in May 2006. Specifically, the Department could not approve Puerto Rico's standards and assessment system due to outstanding concerns with the alignment of Las Pruebas de Aprovechamiento Académico (PPAA) to grade-level content standards and the performance level descriptors for the alternate assessment based on alternate achievement standards (Las Pruebas Puertorriqueñas de Evaluación Alterna, or PPEA). The peer reviewers and Department staff evaluated Puerto Rico's additional evidence and found, based on the evidence received, that it still does not meet all the statutory and regulatory requirements of Section 1111(b)(1) and (3) of the ESEA. Specifically, the peer review of this evidence suggests that there remain concerns regarding the alignment of the PPAA to grade-level content standards and the performance level descriptors for the PPEA.

Because Puerto Rico's additional submission of evidence did not resolve all outstanding issues, the status of its standards and assessment system remains *Approval Pending*. Please note that Puerto Rico must address all outstanding issues in order to have a fully compliant standards and assessment system under the ESEA by the end of the 2006–07 school year. Please refer to the enclosure for a detailed list of the evidence Puerto Rico must still submit to meet the requirements for an approved standards and assessment system.

Because the status of Puerto Rico's standards and assessment system is still *Approval Pending*, Puerto Rico continues to be under *Mandatory Oversight*, as authorized under 34 C.F.R. §80.12. Under this status, we placed specific conditions on Puerto Rico's fiscal year 2006 Title I, Part A grant award. If, at any time, Puerto Rico does not meet the timeline set forth in its plan, the Department will initiate proceedings, pursuant to Section 1111(g)(2) of the ESEA, to withhold

15 percent of Puerto Rico's fiscal year 2006 Title I, Part A administrative funds, which will then revert to public schools in Puerto Rico.

I appreciate the steps Puerto Rico has taken toward meeting the requirements of the ESEA, and I know you are anxious to receive full approval of your standards and assessment system. We are committed to helping you get there. We remain available to provide technical assistance regarding additional issues that you identify. We will schedule another peer review when you have evidence available to further evaluate your system. If you have any questions or would like to discuss this further, please do not hesitate to contact Valeria Ford (Valeria.Ford@ed.gov) or Patrick Rooney (Patrick.Rooney@ed.gov) of my staff.

Sincerely,

Kerri L. Briggs, Ph.D.
Acting Assistant Secretary

Enclosure

cc: Governor Aníbal Acevedo Vilá
Waldo Torres Vázquez

Summary of Additional Evidence that Puerto Rico Must Submit to Meet ESEA Requirements for the Puerto Rico Assessment System

2.0 – ACADEMIC ACHIEVEMENT STANDARDS

1. Performance level descriptors for Science, grade 8.
2. Performance level descriptors for Spanish at grades 3-8 and 11.
3. Performance level descriptors for the English as a second language assessment aligned to grade-level content standards.
4. Description of content-based competencies associated with the Basic level for the alternate assessment and cut scores for that level.

4.0 – TECHNICAL QUALITY

1. Interpretation or analysis to accompany data summaries of the inter-correlations of subdomains.
2. An analysis of the efficacy and validity of accommodations for Las Pruebas de Aprovechamiento Académico (PPAA).
3. An analysis of consequential and concurrent validity for the PPAA.

5.0 – ALIGNMENT

1. A detailed plan to address gaps identified from the alignment study.
2. Administration of an assessment aligned to academic content standards by April 2007.
3. Evidence that the Depth of Knowledge (DOK) level of the items matches the DOK level of the academic content standards (rather than writing items at a range of DOK levels) and that the full range of knowledge, skills, and abilities described in the academic content standards is covered on the tests.
4. Documentation for the alignment of non-academic indicators as components of the score on Las Pruebas Puertorriqueñas de Evaluación Alterna (PPEA).
5. A plan to review and maintain alignment over time.

6.0 – INCLUSION

1. An expansion of linguistic accommodations for limited Spanish proficient (LSP) students, such as English versions and simplified Spanish versions of the mathematics and science assessments.
2. An explanation for the apparent exclusion of students eligible to take the PPEA.
3. Clarification of the eligibility criteria concerning age for participation in the PPEA.

7.0 – REPORTING

1. Description of the weighting procedure used to derive PPEA scores.
2. Reports should include definitions of the proficiency levels in the individual content areas.

2006 9.5 SAP SUMMARY

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833500	WELLS FARGO ELT NELNET ED LOAN FUND	$158,373,973	$2,728,074,557
828924	AES/PHEAA	$59,627,998	$1,196,188,921
826688	KENTUCKY HIGHER ED STUDENT LOAN COR	$40,106,950	$699,065,806
833948	BANK OF NY ELT EDSOUTH	$30,940,457	$564,620,484
830075	VSAC EDUCATION LOAN FINANCE PROGRAM	$28,034,326	$530,904,225
827825	IOWA STUDENT LOAN LIQUIDITY CORP	$21,291,088	$412,178,900
832095	WELLS FARGO ELT PANHANDLE PLAINS	$18,360,030	$348,849,840
825585	MICHIGAN HIGHER EDUCATION STUD LOAN	$17,561,882	$412,663,043
830630	SOUTHWEST STUDENT SERV TRUST WFB EL	$17,235,161	$307,516,895
822717	NEW MEXICO EDUC ASST FOUNDATION	$13,855,233	$259,928,343

2006 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
834097	WELLS FARGO ELT NTHEA INC	$11,976,579	$251,471,061
827866	COLLEGEINVEST	$11,738,633	$253,422,510
833806	US BANK ELT BHEA	$10,511,074	$254,471,434
828476	UTAH STATE BOARD OF REGENTS	$9,613,279	$163,242,746
828863	MISSOURI HIGHER EDUCATION LOAN AUTH	$8,878,031	$153,817,735
833211	BANK OF NY ELT GTHEA	$7,707,205	$178,406,284
833405	US BANK ELT ED LOANS INC	$7,450,821	$133,316,799
831245	SOUTHWEST STUDENT SRV TRUST WFB ELT	$7,400,183	$141,012,628
829769	UTAH STATE BOARD OF REGENTS	$7,039,426	$131,567,279
899980	INDIANA SECONDARY MARKET	$6,653,206	$140,764,497
833016	SC STUDENT LOAN-93 RES (SL03)	$6,545,140	$47,205,330
830631	STUDENT LOAN FUNDING US BANK ELT	$6,089,827	$114,871,881
832934	BANK OF NY ELT GTHEA (93AB)	$5,892,372	$121,595,074
828868	TRUSTMARK BANK ELT MHEAC	$5,808,316	$103,988,173
805149	BANK OF NY ELT TTEE LELA	$5,087,971	$72,942,850
826764	INDUSTRIAL COMMISSION	$4,737,974	$60,863,311
826717	UTAH STATE BOARD OF REGENTS	$4,706,039	$103,914,544
828577	RHODE ISLAND STUDENT LOAN AUTHORITY	$4,217,950	$97,681,990
833264	WELLS FARGO ELT STHEA INC	$3,608,890	$83,814,523
831008	STUDENT LOAN FUNDING US BANK ELT	$3,604,935	$72,552,371
830344	WELLS FARGO ELT MHESAC	$3,251,656	$66,350,212
834086	WELLS FARGO ELT BRAZOS HEA	$3,096,241	$53,575,742
832919	BANK OF NY ELT ALL STUDENT LOAN COR	$3,036,588	$53,246,222
826351	ILL DESIGNATED ACCOUNT PURCHASE PR	$2,611,876	$52,661,912
821666	WELLS FARGO ELT FOR SLAAA	$2,567,218	$45,034,222
827283	WYOMING STUDENT LOAN CORPORATION	$2,542,007	$61,487,189
826966	ALASKA (ACPE)	$2,460,035	$50,258,274
829691	ZIONS BANK ELT SLFA-WA INC	$2,087,202	$38,565,684
833017	S C STUDENT LLR	$1,881,549	$17,466,740
832339	BANK OF NY ELT GTHEA (92AB)	$1,785,080	$36,960,240
830351	SC STUDENT LOAN CORP (SL05)	$1,604,563	$33,220,877
833691	NELLIE MAE JPMORGAN CHASE ELT	$1,538,672	$26,697,813
834023	MISSOURI HIGHER EDUCATION LOAN AUTH	$1,529,182	$72,746,901
820164	UNION BK CA ELT CHELA FUND I (TEFFC)	$1,392,916	$3,168
831692	STUDENT LOAN FUNDING US BANK ELT	$1,391,900	$7,961,956
833741	WELLS FARGO ELT CTSLC LLC	$1,375,356	$29,801,033
833347	BANK OF NY ELT PANHANDLE PLAINS HEA	$1,321,448	$26,243,226
825659	OKLAHOMA STUDENT LOAN AUTHORITY	$1,253,033	$29,069,493
830628	IDAPP	$745,832	$28,202,834
808780	FIFTH THIRD ELT SLFR MD 10907A	$709,541	$11,900,531
832776	JPMORGAN CHASE ELT SMS CORP—HI	$687,419	$13,055,632
833752	BANK OF NY ELT ALL STUDENT LOAN COR	$684,281	$17,952,418
805178	BANK OF NY ELT TTEE LELA	$600,580	$23,137,957
830248	UTAH STATE BOARD OF REGENTS/STNF	$572,615	$12,443,094
812089	TEXAS HIGHER EDUCATION COORD BOARD	$424,017	$16,891,628
831300	MELMAC LLC ZIONS BANK ELT	$325,853	$18,014,051
831785	STUDENT LOAN FUNDING US BANK ELT	$296,983	$5,440,874
831387	BANK OF MISSISSIPPI ELT MHEAC	$295,997	$12,569,426
821614	UNION BANK CA ELT CHELA FUND I (TEF)	$249,317	.....
807037	COLLEGE FOUNDATION INC	$193,126	$5,484,040
834096	BANCORPSOUTH ELT MHEAC	$183,356	$8,482,235
834170	BANK OF NY ELT EDSOUTH	$175,307	$3,383,077
833668	SC STUDENT LOAN CORP (LL05)	$124,154	$2,057,939
829189	ALABAMA HIGHER EDUCATION LOAN CORP	$101,677	$3,074,842
834095	TRUSTMARK ELT MHEAC	$65,978	$4,260,964
828875	COLLEGEINVEST	$53,595	$1,207,439
821623	UNION BANK CA ELT CHELA FUND I (TEF)	$37,883	.....
813285	UNION BK CA ELT CHELA FUND I (TEFFC)	$34,706	.....
821628	UNION BANK CA ELT CHELA FUND I (TEF)	$29,916	$0
833174	BANK OF NY ELT ALL STUDENT LOAN COR	$23,262	$905,667
827116	SLF OF IDAHO MARKETING ASSN INC	$20,190	$0
829064	SOUTHWEST STUDENT SERV TRUST WFB EL	$16,503	$521,059

2006 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
820163	UNION BANK CA ELT CHELA FUND II (TE)	$12,940	$0
828200	M H E S A C	$4,992	$522,781
834246	US BANK ELT KNOWLEDGEFUNDING OHIO	$226	
834225	STUDENT LENDING WORKS INC	$57	
805095	FIRST NATIONAL BANK OF JEANERETTE	($5)	
823817	JPMORGAN CHASE ELT BRAZOS HEA	($14)	
833617	US BANK ELT EFSI	($14)	
834092	M&T BANK ELT PHEAA LOAN TRUST I	($21)	$0
828148	UNIVERSITY FEDERAL CREDIT UNION	($29)	
833285	US BANK ELT PSFC	($43)	
808717	JPMORGAN CHASE NA ELT BRAZOS HEA IN	($43)	
824573	ZIONS BANK ELT EFS FINANCE CO	($87)	
833495	ZIONS ELT EMT CORP	($109)	
821920	FIRSTRUST SAVINGS BANK	($111)	
833934	ZIONS BANK ELT NELNET TRUST	($151)	
831453	US BANK ELT EDAMERICA	($769)	
825600	NEW JERSEY HIGHER EDUCA ASST AUTH	($1,507)	$0
834099	UNION BANK CA ELT CHELA FUND I (TEF))	($784,111)	$0
826509	ARKANSAS STUDENT LOAN AUTHORITY	($5,968,655)	$74,272,483
	Total	$581,296,104	$11,106,045,909

2005 9.5 SAP SUMMARY

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833500	WELLS FARGO ELT NELNET ED LOAN FUND	$177,688,062	$3,026,977,030
828924	AES/PHEAA	$101,293,604	$1,729,507,729
826688	KENTUCKY HIGHER ED STUDENT LOAN COR	$51,890,219	$810,766,884
833948	BANK OF NY ELT EDSOUTH	$39,282,038	$699,762,255
830075	VSAC EDUCATION LOAN FINANCE PROGRAM	$36,111,916	$718,336,382
827825	IOWA STUDENT LOAN LIQUIDITY CORP	$31,287,769	$605,324,814
830630	SOUTHWEST STUDENT SERV TRUST WFB EL	$30,968,234	$520,582,111
832095	WELLS FARGO ELT PANHANDLE PLAINS	$26,747,125	$449,047,641
820164	UNION BK CA ELT CHELA FUND I (TEFFC)	$24,467,330	$329,975,617
834097	WELLS FARGO ELT NTHEA INC	$23,323,937	$462,486,498
833806	US BANK ELT BHEA	$23,093,916	$393,742,962
825585	MICHIGAN HIGHER EDUCATION STUD LOAN	$20,376,928	$450,996,409
833211	BANK OF NY ELT GTHEA	$17,823,455	$220,936,475
832934	BANK OF NY ELT GTHEA (93AB)	$16,361,856	$151,217,885
822717	NEW MEXICO EDUC ASST FOUNDATION	$16,271,646	$326,534,104
831008	STUDENT LOAN FUNDING US BANK ELT	$15,899,060	$227,530,128
834071	SLM EDUCATION FINANCE CREDIT CORP	$14,527,226	
827866	COLLEGEINVEST	$12,629,659	$284,213,538
833691	NELLIE MAE JPMORGAN CHASE ELT	$12,278,053	$50,311,950
899980	INDIANA SECONDARY MARKET	$11,943,493	$233,680,646
805149	BANK OF NY ELT TTEE LELA	$11,278,126	$107,124,886
826509	ARKANSAS STUDENT LOAN AUTHORITY	$10,966,627	$268,612,484
831245	SOUTHWEST STUDENT SRV TRUST WFB ELT	$10,547,670	$189,107,512
831593	JPMORGAN CHASE ELT GTSLC (96AB)	$10,349,941	$0
828863	MISSOURI HIGHER EDUCATION LOAN AUTH	$10,331,060	$304,572,569
833405	US BANK ELT ED LOANS INC	$10,305,698	$174,003,209
831692	STUDENT LOAN FUNDING US BANK ELT	$10,182,570	$161,507,049
829769	UTAH STATE BOARD OF REGENTS	$10,102,619	$169,990,910
833016	SC STUDENT LOAN-93 RES (SL03)	$8,988,615	$144,520,758
830631	STUDENT LOAN FUNDING US BANK ELT	$8,948,896	$147,542,516
834099	UNION BANK CA ELT CHELA FUND I (TEF)	$7,627,815	$173,922,158
826764	INDUSTRIAL COMMISSION	$6,592,389	$94,111,474
828868	TRUSTMARK BANK ELT MHEAC	$6,128,911	$126,468,029

2005 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
826351	ILL DESIGNATED ACCOUNT PURCHASE PR	$5,800,642	$90,634,395
832919	BANK OF NY ELT ALL STUDENT LOAN COR	$5,093,520	$68,678,726
828476	UTAH STATE BOARD OF REGENTS	$4,964,739	$133,197,009
828577	RHODE ISLAND STUDENT LOAN AUTHORITY	$4,748,651	$95,636,652
830344	WELLS FARGO ELT MHESAC	$4,618,439	$120,945,705
833264	WELLS FARGO ELT STHEA INC	$4,374,596	$87,616,895
834086	WELLS FARGO ELT BRAZOS HEA	$4,094,512	$72,051,061
821666	WELLS FARGO ELT FOR SLAAA	$4,032,091	$50,896,131
820163	UNION BANK CA ELT CHELA FUND II (TE)	$3,674,599	$4,017,617
832339	BANK OF NY ELT GTHEA (92AB)	$3,558,893	$45,731,912
833017	S C STUDENT LLR	$3,485,006	$42,755,080
827283	WYOMING STUDENT LOAN CORPORATION	$2,921,208	$70,811,614
808780	FIFTH THIRD ELT SLFR MD 10907A	$2,491,743	$27,959,915
826966	ALASKA (ACPE)	$2,404,331	$50,235,014
829691	ZIONS BANK ELT SLFA-WA INC	$2,396,153	$45,325,275
833741	WELLS FARGO ELT CTSLC LLC	$2,368,570	$62,465,045
826717	UTAH STATE BOARD OF REGENTS	$2,181,643	$145,952,647
834023	MISSOURI HIGHER EDUCATION LOAN AUTH	$2,161,068	$95,015,441
825659	OKLAHOMA STUDENT LOAN AUTHORITY	$1,936,903	$33,256,289
833347	BANK OF NY ELT PANHANDLE PLAINS HEA	$1,776,017	$28,990,206
821628	UNION BANK CA ELT CHELA FUND I (TEF)	$1,669,391	$12,800,834
830628	IDAPP	$1,335,648	$40,390,786
812089	TEXAS HIGHER EDUCATION COORD BOARD	$1,303,147	$25,159,870
830351	SC STUDENT LOAN CORP (SL05)	$1,248,275	$45,878,614
813285	UNION BK CA ELT CHELA FUND I (TEFFC)	$1,154,967	$12,440,671
805178	BANK OF NY ELT TTEE LELA	$1,043,293	$28,206,702
831640	STUDENT LOAN FUNDING US BANK ELT	$1,037,846	$0
821623	UNION BANK CA ELT CHELA FUND I (TEF)	$1,024,679	$21,041,801
830248	UTAH STATE BOARD OF REGENTS/STNF	$927,051	$16,965,643
831387	BANK OF MISSISSIPPI ELT MHEAC	$848,309	$15,805,618
831299	STUDENT LOAN FUNDING US BANK ELT	$807,046	.....
832776	JPMORGAN CHASE ELT SMS CORP—HI	$700,352	$16,395,135
833668	SC STUDENT LOAN CORP (LL05)	$626,137	$3,890,796
831785	STUDENT LOAN FUNDING US BANK ELT	$573,244	$7,459,365
831300	MELMAC LLC ZIONS BANK ELT	$453,860	$23,016,566
807037	COLLEGE FOUNDATION INC	$445,779	$8,339,524
834096	BANCORPSOUTH ELT MHEAC	$430,433	$11,450,137
821614	UNION BANK CA ELT CHELA FUND I (TEF)	$276,645	$1,053,869
829189	ALABAMA HIGHER EDUCATION LOAN CORP	$249,645	$4,618,133
834095	TRUSTMARK ELT MHEAC	$177,395	$7,193,421
823817	JPMORGAN CHASE ELT BRAZOS HEA	$161,505	.....
808717	JPMORGAN CHASE NA ELT BRAZOS HEA IN	$129,245	.....
828875	COLLEGEINVEST	$122,282	$1,773,636
827116	SLF OF IDAHO MARKETING ASSN INC	$109,817	$3,183,063
833174	BANK OF NY ELT ALL STUDENT LOAN COR	$50,134	$1,547,485
829064	SOUTHWEST STUDENT SERV TRUST WFB EL	$41,777	$871,183
833752	BANK OF NY ELT ALL STUDENT LOAN COR	$34,905	$7,263,341
833487	BANK OF NY ELT LOANSTAR	$22,574	.....
828200	M H E S A C	$10,165	$904,738
831453	US BANK ELT EDAMERICA	$2,355	$0
888885	SLM ECFC	$1,363	.....
831119	MO HIGHER ED LOAN AUTHORITY	$550	.....
832057	JPMORGAN CHASE ELT GTSLC	$319	$0
833253	JPMORGAN CHASE ELT SLMA TRUST MS181	$238	.....
821920	FIRSTRUST SAVINGS BANK	$111	$29,950
828148	UNIVERSITY FEDERAL CREDIT UNION	$29	.....
805095	FIRST NATIONAL BANK OF JEANERETTE	$5	.....
805079	JP MORGAN CHASE ELT TTEE LELA	($123)	.....
834092	M&T BANK ELT PHEAA LOAN TRUST I	($192)	$0
833934	ZIONS BANK ELT NELNET TRUST	($254)	$0
804959	CLS-NATIONAL CITY BANK KENTUCKY	($727)	$0
825600	NEW JERSEY HIGHER EDUCA ASST AUTH	($2,121)	.....

2005 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
834170	BANK OF NY ELT EDSOUTH	($3,374)	$0
833659	US BANK ELT THEA INC	($6,148)	
833495	ZIONS ELT EMT CORP	($654,253)	$0
833617	US BANK ELT EFSI	($830,817)	
	Total	$911,222,291	$15,443,268,122

2004 9.5 SAP SUMMARY

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833500	WELLS FARGO ELT NELNET ED LOAN FUND	$165,964,491	$3,339,192,122
828924	AES/PHEAA	$94,245,479	$2,311,383,351
833691	NELLIE MAE JPMORGAN CHASE ELT	$58,945,506	$366,796,730
833948	BANK OF NY ELT EDSOUTH	$43,963,416	$797,497,368
826688	KENTUCKY HIGHER ED STUDENT LOAN COR	$41,119,877	$1,070,239,627
830075	VSAC EDUCATION LOAN FINANCE PROGRAM	$32,826,782	$740,944,702
831008	STUDENT LOAN FUNDING US BANK ELT	$31,037,558	$475,709,505
827825	IOWA STUDENT LOAN LIQUIDITY CORP	$30,830,826	$683,631,789
830630	SOUTHWEST STUDENT SERV TRUST WFB EL	$29,684,151	$550,761,841
820164	UNION BK CA ELT CHELA FUND I (TEFFC)	$26,896,311	$504,522,280
832095	WELLS FARGO ELT PANHANDLE PLAINS	$22,516,965	$514,752,201
825585	MICHIGAN HIGHER EDUCATION STUD LOAN	$21,164,723	$489,247,950
834097	WELLS FARGO ELT NTHEA INC	$18,031,831	$509,801,570
828863	MISSOURI HIGHER EDUCATION LOAN AUTH	$16,651,011	$317,323,001
833806	US BANK ELT BHEA	$13,898,231	$517,184,628
820163	UNION BANK CA ELT CHELA FUND II (TE)	$11,262,397	$215,890,951
826717	UTAH STATE BOARD OF REGENTS	$11,121,882	$244,121,663
829769	UTAH STATE BOARD OF REGENTS	$10,717,805	$204,570,100
899980	INDIANA SECONDARY MARKET	$10,700,910	$271,214,078
827866	COLLEGEINVEST	$10,679,367	$254,431,325
831692	STUDENT LOAN FUNDING US BANK ELT	$10,466,391	$166,146,221
833455	ZIONS FNB ELT NMEAF	$10,328,327	
833016	SC STUDENT LOAN-93 RES (SL03)	$9,097,091	$201,738,488
830631	STUDENT LOAN FUNDING US BANK ELT	$8,719,417	$142,499,296
833405	US BANK ELT ED LOANS INC	$8,253,708	$169,965,769
833211	BANK OF NY ELT GTHEA	$7,361,585	$164,006,075
826509	ARKANSAS STUDENT LOAN AUTHORITY	$7,044,031	$182,739,742
826351	ILL DESIGNATED ACCOUNT PURCHASE PR	$6,985,563	$117,024,701
826764	INDUSTRIAL COMMISSION	$6,596,849	$103,371,995
831245	SOUTHWEST STUDENT SRV TRUST WFB ELT	$5,934,696	$190,947,186
831299	STUDENT LOAN FUNDING US BANK ELT	$5,719,413	$93,090,614
830344	WELLS FARGO ELT MHESAC	$5,301,677	$114,205,552
822717	NEW MEXICO EDUC ASST FOUNDATION	$4,999,746	$323,123,068
832934	BANK OF NY ELT GTHEA (93AB)	$4,977,023	$86,411,002
808780	FIFTH THIRD ELT SLFR MD 10907A	$4,939,979	$75,846,587
821628	UNION BANK CA ELT CHELA FUND I (TEF)	$4,436,641	$82,972,203
832919	BANK OF NY ELT ALL STUDENT LOAN COR	$4,434,016	$77,916,222
821666	WELLS FARGO ELT FOR SLAAA	$4,204,932	$69,862,785
828868	TRUSTMARK BANK ELT MHEAC	$3,929,426	$87,712,640
833088	BANK ONE NA TRUSTEE FOR NTHEA	$3,899,945	
833017	S C STUDENT LLR	$3,353,552	$56,735,313
828577	RHODE ISLAND STUDENT LOAN AUTHORITY	$3,329,379	$95,024,933
833264	WELLS FARGO ELT STHEA INC	$3,063,498	$69,366,228
827283	WYOMING STUDENT LOAN CORPORATION	$2,897,287	$70,928,544
833741	WELLS FARGO ELT CTSLC LLC	$2,883,579	$66,312,905
821623	UNION BANK CA ELT CHELA FUND I (TEF)	$2,596,843	$45,241,468
834023	MISSOURI HIGHER EDUCATION LOAN AUTH	$2,490,650	$117,047,788
828476	UTAH STATE BOARD OF REGENTS	$2,469,654	$52,740,015

2004 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
829691	ZIONS BANK ELT SLFA-WA INC	$2,372,818	$41,300,532
825659	OKLAHOMA STUDENT LOAN AUTHORITY	$2,173,014	$35,716,015
813285	UNION BK CA ELT CHELA FUND I (TEFFC)	$2,061,163	$41,199,973
834099	UNION BANK CA ELT CHELA FUND I (TEF)	$1,901,702	$70,847,326
833347	BANK OF NY ELT PANHANDLE PLAINS HEA	$1,880,185	$32,971,477
831387	BANK OF MISSISSIPPI ELT MHEAC	$1,643,182	$27,783,192
832339	BANK OF NY ELT GTHEA (92AB)	$1,623,020	$33,822,916
812089	TEXAS HIGHER EDUCATION COORD BOARD	$1,544,534	$29,772,965
831640	STUDENT LOAN FUNDING US BANK ELT	$1,430,866	$22,186,105
826966	ALASKA (ACPE)	$1,428,616	$31,348,683
805178	BANK OF NY ELT TTEE LELA	$1,374,494	$33,308,294
830351	SC STUDENT LOAN CORP (SL05)	$1,300,524	$32,011,598
830628	IDAPP	$1,257,000	$39,944,500
831593	JPMORGAN CHASE ELT GTSLC (96AB)	$1,246,822	$16,390,928
821614	UNION BANK CA ELT CHELA FUND I (TEF)	$963,442	$14,727,917
830248	UTAH STATE BOARD OF REGENTS/STNF	$953,652	$22,537,458
831300	MELMAC LLC ZIONS BANK ELT	$929,420	$31,794,957
833668	SC STUDENT LOAN CORP (LL05)	$877,654	$12,686,042
833617	US BANK ELT EFSI	$834,516	$0
834086	WELLS FARGO ELT BRAZOS HEA	$804,451	$54,471,862
807037	COLLEGE FOUNDATION INC	$637,097	$11,596,990
832776	JPMORGAN CHASE ELT SMS CORP—HI	$562,109	$13,814,741
831785	STUDENT LOAN FUNDING US BANK ELT	$490,083	$7,437,095
832765	WELLS FARGO BANK ELT NMEAF	$470,140	
834096	BANCORPSOUTH ELT MHEAC	$422,949	$17,455,990
829189	ALABAMA HIGHER EDUCATION LOAN CORP	$413,647	$7,026,190
805079	JP MORGAN CHASE ELT TTEE LELA	$267,789	$5,134
823817	JPMORGAN CHASE ELT BRAZOS HEA	$219,454	$0
827116	SLF OF IDAHO MARKETING ASSN INC	$198,544	$5,087,693
828875	COLLEGEINVEST	$159,206	$2,152,006
834095	TRUSTMARK ELT MHEAC	$137,782	$10,896,666
833174	BANK OF NY ELT ALL STUDENT LOAN COR	$73,994	$2,149,982
829064	SOUTHWEST STUDENT SERV TRUST WFB EL	$68,553	$1,327,959
831453	US BANK ELT EDAMERICA	$54,509	$5,109
833495	ZIONS ELT EMT CORP	$17,408	$0
828200	M H E S A C	$15,674	$1,388,099
829988	NELLIE MAE JPMORGAN CHASE ELT	$4,933	$68,418
824573	ZIONS BANK ELT EFS FINANCE CO	$4,653	
808717	JPMORGAN CHASE NA ELT BRAZOS HEA IN	$3,985	$0
804959	CLS-NATIONAL CITY BANK KENTUCKY	$2,605	$11,337
831119	MO HIGHER ED LOAN AUTHORITY	$994	$14,332
832057	JPMORGAN CHASE ELT GTSLC	$445	$30,977
806466	STATE BANK OF FAIRMONT	$41	
818119	FARMERS & MERCHANTS STATE BANK	$9	
832775	JP MORGANCHASE ELT USA GROUP SMS	$2	
821347	OREGONIANS CU	($11)	
823990	FAMILY CREDIT UNION	($30)	
833078	US BANK ELT BSFC	($66)	
813020	MELLON BANK MARYLAND REGION	($117)	
828384	THE FIRST NATIONAL BANK/BALLINGER	($123)	
809747	MELLON BANK NA (WESTERN REGION)	($140)	
828737	COUNTYWIDE FEDERAL CREDIT UNION	($156)	
822239	COMPASS BANK	($228)	
804091	IOWA FALLS STATE BANK	($235)	
805149	BANK OF NY ELT TTEE LELA	($258)	$0
828729	CENTRAL MICHIGAN COMMUNITY FED CR U	($338)	
828148	UNIVERSITY FEDERAL CREDIT UNION	($512)	$0
833295	TAIWANESE AMERICAN FCU	($719)	
834092	M&T BANK ELT PHEAA LOAN TRUST I	($801)	$0
827291	PEOPLES BANK AND TRUST COMPANY	($927)	
831783	COMMUNITY CHOICE CREDIT UNION	($1,780)	
825600	NEW JERSEY HIGHER EDUCA ASST AUTH	($2,165)	$0

2004 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833659	US BANK ELT THEA INC	($2,187)	
831651	FIRST NATIONAL BANK OF COWETA	($2,664)	$0
817717	BRIDGETON ONIZED FCU	($3,658)	
834047	UNIVERSITY OF NORTHERN COLORADO	($4,473)	
804655	GREENSBURG STATE BANK	($4,907)	
827952	EXCHANGE STATE BANK	($10,799)	
804134	UNITED METHOD MINISTERS' CU	($35,323)	
	Total	$885,729,480	$18,107,485,580

2003 9.5 SAP SUMMARY

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833691	NELLIE MAE JPMORGAN CHASE ELT	$78,675,283	$1,178,697,172
828924	AES/PHEAA	$60,831,265	$1,474,903,695
833500	WELLS FARGO ELT NELNET ED LOAN FUND	$38,362,110	$1,713,168,009
831008	STUDENT LOAN FUNDING US BANK ELT	$32,625,958	$613,901,913
831453	US BANK ELT EDAMERICA	$27,910,960	$2,818,796
820164	UNION BK CA ELT CHELA FUND I (TEFFC)	$27,340,787	$579,720,816
827825	IOWA STUDENT LOAN LIQUIDITY CORP	$18,218,039	$371,770,704
830075	VSAC EDUCATION LOAN FINANCE PROGRAM	$16,674,557	$376,722,853
825585	MICHIGAN HIGHER EDUCATION STUD LOAN	$16,297,070	$433,979,096
828863	MISSOURI HIGHER EDUCATION LOAN AUTH	$16,115,479	$343,105,897
820163	UNION BANK CA ELT CHELA FUND II (TE)	$14,667,627	$279,486,256
833088	BANK ONE NA TRUSTEE FOR NTHEA	$14,565,432	$523,844,323
830630	SOUTHWEST STUDENT SERV TRUST WFB EL	$13,606,742	$443,675,943
833948	BANK OF NY ELT EDSOUTH	$12,409,428	$731,856,034
833455	ZIONS FNB ELT NMEAF	$11,937,524	$264,347,556
832095	WELLS FARGO ELT PANHANDLE PLAINS	$10,728,192	$324,372,129
831692	STUDENT LOAN FUNDING US BANK ELT	$9,838,752	$168,001,806
899980	INDIANA SECONDARY MARKET	$9,263,013	$197,918,837
829769	UTAH STATE BOARD OF REGENTS	$8,544,200	$169,792,082
830631	STUDENT LOAN FUNDING US BANK ELT	$8,318,284	$139,643,822
827866	COLLEGEINVEST	$8,091,712	$208,334,230
826351	ILL DESIGNATED ACCOUNT PURCHASE PR	$7,899,572	$140,511,889
826717	UTAH STATE BOARD OF REGENTS	$7,861,983	$229,995,733
833016	SC STUDENT LOAN-93 RES (SL03)	$6,764,299	$68,108,896
833211	BANK OF NY ELT GTHEA	$6,465,973	$163,391,061
823817	JPMORGAN CHASE ELT BRAZOS HEA	$5,883,464	$136,411,025
821628	UNION BANK CA ELT CHELA FUND I (TEF)	$5,408,653	$112,302,037
831299	STUDENT LOAN FUNDING US BANK ELT	$5,089,830	$89,305,736
826688	KENTUCKY HIGHER ED STUDENT LOAN COR	$5,073,105	$136,312,611
826764	INDUSTRIAL COMMISSION	$4,499,494	$104,907,072
808717	JPMORGAN CHASE NA ELT BRAZOS HEA IN	$4,310,059	$35,280,976
821666	WELLS FARGO ELT FOR SLAAA	$4,284,619	$68,465,008
808780	FIFTH THIRD ELT SLFR MD 10907A	$4,173,252	$65,719,217
830344	WELLS FARGO ELT MHESAC	$4,024,835	$108,386,740
832934	BANK OF NY ELT GTHEA (93AB)	$3,860,891	$84,468,523
821623	UNION BANK CA ELT CHELA FUND I (TEF)	$3,235,656	$61,249,458
833405	US BANK ELT ED LOANS INC	$3,173,883	$67,452,344
832919	BANK OF NY ELT ALL STUDENT LOAN COR	$3,122,903	$60,589,875
831387	BANK OF MISSISSIPPI ELT MHEAC	$2,692,150	$63,307,248
833017	S C STUDENT LLR	$2,532,399	$35,626,528
828868	TRUSTMARK BANK ELT MHEAC	$2,419,052	$77,484,091
828577	RHODE ISLAND STUDENT LOAN AUTHORITY	$2,400,484	$73,583,427
833741	WELLS FARGO ELT CTSLC LLC	$2,297,619	$58,158,647
829691	ZIONS BANK ELT SLFA-WA INC	$2,119,020	$49,083,113
813285	UNION BK CA ELT CHELA FUND I (TEFFC)	$1,923,004	$48,685,608

2003 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
826509	ARKANSAS STUDENT LOAN AUTHORITY	$1,921,244	$74,211,364
812089	TEXAS HIGHER EDUCATION COORD BOARD	$1,893,581	$36,523,386
825659	OKLAHOMA STUDENT LOAN AUTHORITY	$1,822,052	$38,174,126
833347	BANK OF NY ELT PANHANDLE PLAINS HEA	$1,791,907	$28,743,753
833266	BANK ONE ELT STHEA	$1,773,145	$47,586,033
831640	STUDENT LOAN FUNDING US BANK ELT	$1,547,340	$22,660,287
805178	BANK OF NY ELT TTEE LELA	$1,518,773	$40,763,210
831245	SOUTHWEST STUDENT SRV TRUST WFB ELT	$1,314,890	$43,422,371
821614	UNION BANK CA ELT CHELA FUND I (TEF)	$1,300,545	$19,643,252
830628	IDAPP	$1,286,647	$41,433,204
832339	BANK OF NY ELT GTHEA (92AB)	$1,285,713	$29,806,824
822717	NEW MEXICO EDUC ASST FOUNDATION	$1,151,503	$28,272,251
832765	WELLS FARGO BANK ELT NMEAF	$999,725	$21,491,750
834023	MISSOURI HIGHER EDUCATION LOAN AUTH	$970,155	$129,784,496
807037	COLLEGE FOUNDATION INC	$754,079	$14,997,434
833806	US BANK ELT BHEA	$693,925	$26,587,035
831593	JPMORGAN CHASE ELT GTSLC (96AB)	$689,561	$13,148,045
830248	UTAH STATE BOARD OF REGENTS/STNF	$629,224	$14,979,018
831785	STUDENT LOAN FUNDING US BANK ELT	$558,738	$7,596,011
826966	ALASKA (ACPE)	$478,661	$14,306,569
832776	JPMORGAN CHASE ELT SMS CORP—HI	$432,781	$13,059,569
827116	SLF OF IDAHO MARKETING ASSN INC	$310,113	$8,096,832
830351	SC STUDENT LOAN CORP (SL05)	$259,730	$33,562,244
828476	UTAH STATE BOARD OF REGENTS	$171,218	$11,966,285
829064	SOUTHWEST STUDENT SERV TRUST WFB EL	$106,879	$2,323,599
833174	BANK OF NY ELT ALL STUDENT LOAN COR	$101,738	$2,728,290
828875	COLLEGEINVEST	$94,662	$2,810,561
833668	SC STUDENT LOAN CORP (LL05)	$88,623	$14,116,397
805079	JP MORGAN CHASE ELT TTEE LELA	$82,899	$1,459,695
831119	MO HIGHER ED LOAN AUTHORITY	$65,524	$51,478
828200	M H E S A C	$24,735	$2,047,943
804134	UNITED METHOD MINISTERS' CU	$24,050	$493,504
832260	WELLS FARGO ELT MHESAC	$8,280	.....
829988	NELLIE MAE JPMORGAN CHASE ELT	$6,469	$87,443
827952	EXCHANGE STATE BANK	$4,925	$55,617
804655	GREENSBURG STATE BANK	$4,907	$119,397
834047	UNIVERSITY OF NORTHERN COLORADO	$4,556	$756,092
817717	BRIDGETON ONIZED FCU	$2,270	.....
831651	FIRST NATIONAL BANK OF COWETA	$2,066	$29,014
817380	TVA CU	$1,848	.....
819907	JP MORGAN CHASE ELT TTEE LELA	$1,841	.....
804959	CLS-NATIONAL CITY BANK KENTUCKY	$1,201	$26,102
804071	HARTWICK STATE BANK	$1,132	.....
833295	TAIWANESE AMERICAN FCU	$839	$15,843
832057	JPMORGAN CHASE ELT GTSLC	$826	$35,060
827291	PEOPLES BANK AND TRUST COMPANY	$498	$11,009
830427	JP MORGAN CHASE ELT TTEE LELA	$313	$0
828729	CENTRAL MICHIGAN COMMUNITY FED CR U	$262	$11,279
806466	STATE BANK OF FAIRMONT	$232	$10,005
828737	COUNTYWIDE FEDERAL CREDIT UNION	$176	$7,463
828384	THE FIRST NATIONAL BANK/BALLINGER	$123	$4,175
831455	STUDENT LOAN FUNDING US BANK ELT	$67	.....
815678	US BANK NA	$63	.....
808524	CITY BANK & TRUST CO	$20	.....
821347	OREGONIANS CU	$11	.....
833193	S C STUDENT LOAN-TAXABLE	$10	$814
833307	S C STUDENT LOAN TAXABLE-LLR	$6	.....
833934	ZIONS BANK ELT NELNET TRUST	$4	$0
805095	FIRST NATIONAL BANK OF JEANERETTE	$2	.....
833495	ZIONS ELT EMT CORP	$2	$0
808237	FIRST NATIONAL BANK & TRUST COMPANY	$0	$37,252
807743	CITIBANK ELT STUDENT LOAN CORP	($1)	.....

2003 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
831056	WELLS FARGO ELT PANHANDLE PLAINS SL	($44)	
829486	ESF/TRUSTMARK NATIONAL BANK	($45)	
824821	UNIVERSITY OF DENVER	($59)	
828949	CBW SCHOOLS FEDERAL CREDIT UNION	($355)	$0
824573	ZIONS BANK ELT EFS FINANCE CO	($368)	
828947	WYSE FEDERAL CREDIT UNION	($713)	
825600	NEW JERSEY HIGHER EDUCA ASST AUTH	($2,894)	$0
805149	BANK OF NY ELT TTEE LELA	($4,173)	$0
822648	MICHIGAN RURAL REHABILITATION CORPO	($6,465)	$624,081
822239	COMPASS BANK	($12,755)	$0
826651	UNIVERSITY OF MIAMI	($56,392)	
831821	WELLS FARGO ELT PANHANDLE PLAINS	($79,084)	
829189	ALABAMA HIGHER EDUCATION LOAN CORP	($518,861)	$11,175,694
827283	WYOMING STUDENT LOAN CORPORATION	($867,884)	$71,440,289
833816	US BANK ELT OHIO CENTRIC	($1,282,246)	
831300	MELMAC LLC ZIONS BANK ELT	($2,788,259)	$38,121,088
832994	NEW HAMPSHIRE HIGHER ED LOAN CORP	($11,534,867)	
	Total	$565,570,456	$13,588,263,365

2002 9.5 SAP SUMMARY

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833691	NELLIE MAE JPMORGAN CHASE ELT	$81,667,972	$1,199,720,541
828924	AES/PHEAA	$28,291,028	$1,189,679,093
831453	US BANK ELT EDAMERICA	$23,565,189	$765,567,958
831008	STUDENT LOAN FUNDING US BANK ELT	$19,912,337	$663,041,437
825585	MICHIGAN HIGHER EDUCATION STUD LOAN	$14,112,086	$497,383,781
833500	WELLS FARGO ELT NELNET ED LOAN FUND	$13,309,163	$376,465,236
820164	UNION BK CA ELT CHELA FUND I (TEFFC)	$13,234,653	$543,758,155
827825	IOWA STUDENT LOAN LIQUIDITY CORP	$12,547,774	$373,788,651
828863	MISSOURI HIGHER EDUCATION LOAN AUTH	$12,040,378	$416,594,983
830075	VSAC EDUCATION LOAN FINANCE PROGRAM	$11,528,341	$393,420,365
830630	SOUTHWEST STUDENT SERV TRUST WFB EL	$9,723,594	$321,041,286
833088	BANK ONE NA TRUSTEE FOR NTHEA	$9,247,952	$366,431,965
829769	UTAH STATE BOARD OF REGENTS	$6,955,446	$192,781,410
831692	STUDENT LOAN FUNDING US BANK ELT	$6,935,880	$164,342,909
826351	ILL DESIGNATED ACCOUNT PURCHASE PR	$6,822,046	$183,033,936
832994	NEW HAMPSHIRE HIGHER ED LOAN CORP	$6,618,184	$209,999,546
820163	UNION BANK CA ELT CHELA FUND II (TE)	$6,411,766	$383,002,395
827866	COLLEGEINVEST	$6,293,324	$217,655,698
830631	STUDENT LOAN FUNDING US BANK ELT	$6,253,642	$141,191,180
899980	INDIANA SECONDARY MARKET	$6,200,874	$199,779,668
833016	SC STUDENT LOAN-93 RES (SL03)	$6,107,365	$182,447,646
833455	ZIONS FNB ELT NMEAF	$5,776,014	$160,797,721
823817	JPMORGAN CHASE ELT BRAZOS HEA	$4,738,633	$155,255,245
826688	KENTUCKY HIGHER ED STUDENT LOAN COR	$4,374,446	$143,543,273
832095	WELLS FARGO ELT PANHANDLE PLAINS	$4,333,056	$157,025,862
833211	BANK OF NY ELT GTHEA	$4,332,264	$158,999,495
826717	UTAH STATE BOARD OF REGENTS	$4,272,288	$147,798,283
831299	STUDENT LOAN FUNDING US BANK ELT	$3,450,165	$76,792,814
829691	ZIONS BANK ELT SLFA-WA INC	$3,315,020	$39,390,913
808717	JPMORGAN CHASE NA ELT BRAZOS HEA IN	$2,921,723	$99,166,652
813285	UNION BK CA ELT CHELA FUND I (TEFFC)	$2,894,412	$62,704,364
821628	UNION BANK CA ELT CHELA FUND I (TEF)	$2,870,920	$143,926,230
830344	WELLS FARGO ELT MHESAC	$2,768,850	$95,909,968
821666	WELLS FARGO ELT FOR SLAAA	$2,742,329	$72,532,145
832934	BANK OF NY ELT GTHEA (93AB)	$2,601,631	$84,339,893

2002 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
831387	BANK OF MISSISSIPPI ELT MHEAC	$2,509,386	$86,137,540
832339	BANK OF NY ELT GTHEA (92AB)	$2,359,482	$28,688,240
833741	WELLS FARGO ELT CTSLC LLC	$2,214,351	$72,080,828
808780	FIFTH THIRD ELT SLFR MD 10907A	$2,127,984	$80,246,304
828577	RHODE ISLAND STUDENT LOAN AUTHORITY	$2,048,687	$79,105,290
821614	UNION BANK CA ELT CHELA FUND I (TEF)	$1,995,256	$35,743,670
812089	TEXAS HIGHER EDUCATION COORD BOARD	$1,955,774	$56,616,863
827283	WYOMING STUDENT LOAN CORPORATION	$1,923,118	$68,447,523
826764	INDUSTRIAL COMMISSION	$1,879,127	$84,503,279
831300	MELMAC LLC ZIONS BANK ELT	$1,877,687	$118,301,571
833405	US BANK ELT ED LOANS INC	$1,845,806	$47,947,511
822717	NEW MEXICO EDUC ASST FOUNDATION	$1,774,217	$39,853,643
832919	BANK OF NY ELT ALL STUDENT LOAN COR	$1,768,789	$47,272,316
828868	TRUSTMARK BANK ELT MHEAC	$1,482,907	$66,450,618
832765	WELLS FARGO BANK ELT NMEAF	$1,407,549	$44,862,141
825659	OKLAHOMA STUDENT LOAN AUTHORITY	$1,327,184	$35,151,913
821623	UNION BANK CA ELT CHELA FUND I (TEF)	$1,311,898	$82,866,729
831640	STUDENT LOAN FUNDING US BANK ELT	$1,165,453	$26,946,686
830628	IDAPP	$1,098,471	$50,103,526
833017	S C STUDENT LLR	$1,088,009	$37,743,174
826509	ARKANSAS STUDENT LOAN AUTHORITY	$1,052,635	$50,377,767
833816	US BANK ELT OHIO CENTRIC	$1,047,493	$25,234,323
833266	BANK ONE ELT STHEA	$1,037,952	$47,707,530
829189	ALABAMA HIGHER EDUCATION LOAN CORP	$937,782	$17,687,180
833347	BANK OF NY ELT PANHANDLE PLAINS HEA	$767,074	$33,578,370
830427	JP MORGAN CHASE ELT TTEE LELA	$693,388	$5,804
805178	BANK OF NY ELT TTEE LELA	$692,530	$48,737,387
807037	COLLEGE FOUNDATION INC	$641,218	$19,385,396
833806	US BANK ELT BHEA	$641,176	$27,940,728
830248	UTAH STATE BOARD OF REGENTS/STNF	$552,491	$20,474,252
831593	JPMORGAN CHASE ELT GTSLC (96AB)	$495,021	$12,387,403
830351	SC STUDENT LOAN CORP (SL05)	$488,147	$87,161,063
827116	SLF OF IDAHO MARKETING ASSN INC	$359,109	$12,985,555
831245	SOUTHWEST STUDENT SRV TRUST WFB ELT	$353,450	$14,560,598
831785	STUDENT LOAN FUNDING US BANK ELT	$340,856	$10,200,575
832776	JPMORGAN CHASE ELT SMS CORP—HI	$265,016	$12,932,655
805149	BANK OF NY ELT TTEE LELA	$215,634	$36,009
833668	SC STUDENT LOAN CORP (LL05)	$186,227	$0
831119	MO HIGHER ED LOAN AUTHORITY	$110,230	$2,105,226
829064	SOUTHWEST STUDENT SERV TRUST WFB EL	$104,709	$3,753,045
833174	BANK OF NY ELT ALL STUDENT LOAN COR	$102,152	$3,835,306
832260	WELLS FARGO ELT MHESAC	$94,734	$8,379,925
819907	JP MORGAN CHASE ELT TTEE LELA	$87,619	$2,408,569
805079	JP MORGAN CHASE ELT TTEE LELA	$77,102	$2,028,243
826651	UNIVERSITY OF MIAMI	$56,392	$2,749,696
828875	COLLEGEINVEST	$10,690	$130,472
826966	ALASKA (ACPE)	$10,628	$2,500,988
804134	UNITED METHOD MINISTERS' CU	$8,380	$779,857
827952	EXCHANGE STATE BANK	$5,874	$167,485
817380	TVA CU	$2,545	$63,742
822648	MICHIGAN RURAL REHABILITATION CORPO	$2,506	$50,275
828200	M H E S A C	$2,379	$178,199
817717	BRIDGETON ONIZED FCU	$1,021	$85,886
832057	JPMORGAN CHASE ELT GTSLC	$705	$42,512
831455	STUDENT LOAN FUNDING US BANK ELT	$507	$10,500
831651	FIRST NATIONAL BANK OF COWETA	$503	$48,753
831419	CHASE TEXAS AS TRUSTEE FOR BHEA	$294	.....
827291	PEOPLES BANK AND TRUST COMPANY	$277	$12,902
829561	B & V CREDIT UNION	$229	.....
830308	NELLIE MAE JPMORGAN CHASE ELT	$178	.....
833295	TAIWANESE AMERICAN FCU	$106	$8,124
806466	STATE BANK OF FAIRMONT	$80	$14,200

2002 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
828729	CENTRAL MICHIGAN COMMUNITY FED CR U	$77	$12,679
829076	NELLIE MAE JPMORGAN CHASE ELT	$53	
822991	MONROE TELCO FEDERAL CREDIT UNION	$20	
831819	JP MORGAN CHASE ELT TTEE LELA	$6	
832775	JP MORGANCHASE ELT USA GROUP SMS	$5	$0
833702	ZIONS ELT NELNET II	$1	$0
808036	M & T BANK EDUCATIONAL LENDING	($0)	
831484	UNION BANK & TRUST—IHELP	($7)	$0
824573	ZIONS BANK ELT EFS FINANCE CO	($57)	$0
825600	NEW JERSEY HIGHER EDUCA ASST AUTH	($1,324)	$0
822318	CABOT & NOI EMPLOYEES CREDIT UNION	($1,482)	
833575	EDUCATION SERVICES FOUNDATION	($1,913)	
833789	ZIONS ELT STUDENT LN FIN ASSOC INC	($38,903)	
829988	NELLIE MAE JPMORGAN CHASE ELT	($230,280)	$150,078
833207	STUDENT LOAN FUNDING US BANK ELT	($253,731)	
829626	STUDENT LOAN FUNDING US BANK ELT	($751,211)	$0
811077	ZIONS FIRST NATIONAL BANK FOR CHELA	($1,592,433)	$0
	Total	$402,907,734	$12,239,289,319

2001 9.5 SAP SUMMARY

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833691	NELLIE MAE JPMORGAN CHASE ELT	$53,524,019	$2,387,488,335
828924	AES/PHEAA	$12,793,896	$883,732,849
831453	US BANK ELT EDAMERICA	$10,124,992	$604,533,520
820164	UNION BK CA ELT CHELA FUND I (TEFFC)	$9,827,596	$686,781,785
833500	WELLS FARGO ELT NELNET ED LOAN FUND	$6,535,159	$392,997,065
825585	MICHIGAN HIGHER EDUCATION STUD LOAN	$6,347,999	$423,481,750
828863	MISSOURI HIGHER EDUCATION LOAN AUTH	$6,314,979	$430,156,562
830075	VSAC EDUCATION LOAN FINANCE PROGRAM	$6,121,467	$377,589,887
827825	IOWA STUDENT LOAN LIQUIDITY CORP	$5,988,363	$378,466,805
833088	BANK ONE NA TRUSTEE FOR NTHEA	$5,796,546	$400,878,120
831008	STUDENT LOAN FUNDING US BANK ELT	$5,239,395	$510,058,708
830630	SOUTHWEST STUDENT SERV TRUST WFB EL	$5,009,769	$309,829,380
826351	ILL DESIGNATED ACCOUNT PURCHASE PR	$4,174,803	$224,857,602
831300	MELMAC LLC ZIONS BANK ELT	$4,162,222	$402,406,577
827866	COLLEGEINVEST	$3,380,096	$219,952,005
829769	UTAH STATE BOARD OF REGENTS	$3,112,834	$203,785,301
899980	INDIANA SECONDARY MARKET	$2,856,104	$189,416,162
823817	JPMORGAN CHASE ELT BRAZOS HEA	$2,700,075	$179,705,241
833016	SC STUDENT LOAN-93 RES (SL03)	$2,685,642	$249,079,937
833455	ZIONS FNB ELT NMEAF	$2,524,096	$149,800,537
832095	WELLS FARGO ELT PANHANDLE PLAINS	$2,396,021	$171,596,119
830631	STUDENT LOAN FUNDING US BANK ELT	$2,374,818	$149,824,308
832994	NEW HAMPSHIRE HIGHER ED LOAN CORP	$2,317,468	$140,033,914
831692	STUDENT LOAN FUNDING US BANK ELT	$2,235,889	$149,938,212
826717	UTAH STATE BOARD OF REGENTS	$2,155,198	$131,670,508
826688	KENTUCKY HIGHER ED STUDENT LOAN COR	$2,154,988	$162,440,981
833211	BANK OF NY ELT GTHEA	$2,101,807	$151,622,974
829691	ZIONS BANK ELT SLFA-WA INC	$2,063,603	$149,325,958
821614	UNION BANK CA ELT CHELA FUND I (TEF)	$1,920,994	$99,911,567
813285	UNION BK CA ELT CHELA FUND I (TEFFC)	$1,629,630	$84,447,675
832339	BANK OF NY ELT GTHEA (92AB)	$1,533,708	$99,814,098
831387	BANK OF MISSISSIPPI ELT MHEAC	$1,469,076	$106,978,561
831299	STUDENT LOAN FUNDING US BANK ELT	$1,356,174	$100,243,926
808717	JPMORGAN CHASE NA ELT BRAZOS HEA IN	$1,337,580	$93,774,412
812089	TEXAS HIGHER EDUCATION COORD BOARD	$1,280,057	$88,429,490

2001 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
821666	WELLS FARGO ELT FOR SLAAA	$1,274,373	$72,551,318
822717	NEW MEXICO EDUC ASST FOUNDATION	$1,183,798	$85,316,233
828577	RHODE ISLAND STUDENT LOAN AUTHORITY	$1,179,089	$80,993,495
830344	WELLS FARGO ELT MHESAC	$1,121,260	$95,672,803
833405	US BANK ELT ED LOANS INC	$1,103,936	$49,774,209
827283	WYOMING STUDENT LOAN CORPORATION	$1,103,641	$70,386,993
832765	WELLS FARGO BANK ELT NMEAF	$882,179	$58,623,647
826764	INDUSTRIAL COMMISSION	$870,802	$58,332,770
829626	STUDENT LOAN FUNDING US BANK ELT	$813,579	$74,422,509
833741	WELLS FARGO ELT CTSLC LLC	$764,872	$65,820,003
828868	TRUSTMARK BANK ELT MHEAC	$743,141	$56,652,891
811077	ZIONS FIRST NATIONAL BANK FOR CHELA	$713,868	$41,371,174
830628	IDAPP	$697,461	$58,588,588
832934	BANK OF NY ELT GTHEA (93AB)	$690,222	$43,100,831
832919	BANK OF NY ELT ALL STUDENT LOAN COR	$684,043	$38,039,909
829189	ALABAMA HIGHER EDUCATION LOAN CORP	$659,622	$43,115,591
825659	OKLAHOMA STUDENT LOAN AUTHORITY	$609,020	$36,549,218
833266	BANK ONE ELT STHEA	$569,571	$47,154,675
826509	ARKANSAS STUDENT LOAN AUTHORITY	$550,228	$56,040,820
831593	JPMORGAN CHASE ELT GTSLC (96AB)	$525,176	$37,823,885
833017	S C STUDENT LLR	$518,309	$31,168,754
831640	STUDENT LOAN FUNDING US BANK ELT	$452,623	$26,241,986
830427	JP MORGAN CHASE ELT TTEE LELA	$440,670	$33,132,107
830248	UTAH STATE BOARD OF REGENTS/STNF	$433,816	$36,148,666
805178	BANK OF NY ELT TTEE LELA	$400,247	$22,781,127
833816	US BANK ELT OHIO CENTRIC	$360,811	$34,042,490
807037	COLLEGE FOUNDATION INC	$349,386	$23,722,293
833806	US BANK ELT BHEA	$293,546	$22,819,434
833207	STUDENT LOAN FUNDING US BANK ELT	$255,185	.....
827116	SLF OF IDAHO MARKETING ASSN INC	$246,450	$20,700,161
829988	NELLIE MAE JPMORGAN CHASE ELT	$245,335	$192,118
805149	BANK OF NY ELT TTEE LELA	$238,293	$9,975,239
832776	JPMORGAN CHASE ELT SMS CORP—HI	$237,370	$19,902,582
833403	EDUCATION FUNDING ASSOCIATION, INC	$158,623	$0
833174	BANK OF NY ELT ALL STUDENT LOAN COR	$134,621	$5,068,945
833347	BANK OF NY ELT PANHANDLE PLAINS HEA	$130,289	$9,901,728
833668	SC STUDENT LOAN CORP (LL05)	$122,875	$13,033,208
832260	WELLS FARGO ELT MHESAC	$107,605	$12,240,521
831119	MO HIGHER ED LOAN AUTHORITY	$101,081	$6,345,508
831785	STUDENT LOAN FUNDING US BANK ELT	$87,112	$9,736,091
829064	SOUTHWEST STUDENT SERV TRUST WFB EL	$70,190	$5,767,364
831419	CHASE TEXAS AS TRUSTEE FOR BHEA	$66,990	$1,475,736
819907	JP MORGAN CHASE ELT TTEE LELA	$45,997	$2,895,366
833789	ZIONS ELT STUDENT LN FIN ASSOC INC	$41,040	$3,493,355
805079	JP MORGAN CHASE ELT TTEE LELA	$38,090	$2,422,919
832640	CHASE TEXAS AS TRUSTEE FOR BHEA	$25,065	$0
822239	COMPASS BANK	$12,754	.....
821623	UNION BANK CA ELT CHELA FUND I (TEF)	$2,774	$7,513
833575	EDUCATION SERVICES FOUNDATION	$1,913	$158,685
828200	M H E S A C	$1,680	$239,257
822648	MICHIGAN RURAL REHABILITATION CORPO	$1,358	$56,982
817380	TVA CU	$1,311	$77,335
829561	B & V CREDIT UNION	$685	$45,031
833078	US BANK ELT BSFC	$545	$0
822318	CABOT & NOI EMPLOYEES CREDIT UNION	$520	$21,120
831455	STUDENT LOAN FUNDING US BANK ELT	$388	$34,725
832057	JPMORGAN CHASE ELT GTSLC	$330	$72,680
829076	NELLIE MAE JPMORGAN CHASE ELT	$217	$2,625
832347	BANK OF NY ELT GREATER TX FOUND	$211	.....
822991	MONROE TELCO FEDERAL CREDIT UNION	$39	$2,625
831819	JP MORGAN CHASE ELT TTEE LELA	$24	$2,662
827800	CHASE TEXAS AS TRUSTEE FOR BHEA	$16	.....

2001 9.5 SAP SUMMARY—Continued

Lender		Tax Exempt Loans	
		Special Allowance Payments	Ending Principal Balance
833093	BANK OF NY ELT COLLEGEINVEST	($0)	$0
831245	SOUTHWEST STUDENT SRV TRUST WFB ELT	($17)	$0
830308	NELLIE MAE JPMORGAN CHASE ELT	($37)	$3,401
810742	CITIZENS STATE BANK	($71)	
829077	SOUTHWEST STUDENT SERV TRUST WFB EL	($325)	
825600	NEW JERSEY HIGHER EDUCA ASST AUTH	($645)	$0
	Total	$209,912,235	$13,009,314,732

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833253	JPMORGAN CHASE ELT SLMA TRUST MS181	$0	$1,802,329,592	$74,940,356,897	$1,802,329,592	$74,940,356,897	
826878	CITIBANK NA ELT STUDENT LOAN CORP	$0	$315,682,238	$11,680,757,944	$315,682,238	$11,680,757,944	
833934	ZIONS BANK ELT NELNET TRUST	($151)	$311,440,494	$11,034,155,191	$311,440,343	$11,034,155,191	
833500	WELLS FARGO ELT NELNET ED LOAN FUND	$158,373,973	$2,728,074,557	$53,056,233	$1,704,324,001	$211,430,206	$4,432,398,558
807929	CITIBANK ELT SLC RECEIVABLES I	$0	$203,924,816	$7,773,270,449	$203,924,816	$7,773,270,449	
828924	AES/PHEAA	$59,627,998	$1,196,188,921	$141,365,788	$6,034,052,934	$200,993,786	$7,230,241,855
807176	WELLS FARGO EDUCATION FIN SVCS	$0	$200,422,957	$8,375,680,811	$200,422,957	$8,375,680,811	
833806	US BANK ELT BHEA	$10,511,074	$254,471,434	$174,175,727	$6,432,933,188	$184,686,801	$6,687,404,622
833835	BANK OF NY ELT COLLEGIATE FUNDING S	$0	$154,423,843	$4,463,175,468	$154,423,843	$4,463,175,468	
834072	SLM EDUCATION LOAN CORP	$0	$125,864,525	$1,171,619,774	$125,864,525	$1,171,619,774	
833733	JP MORGAN CHASE ELT COLLEGE LOAN CO	$0	$121,803,417	$4,181,311,700	$121,803,417	$4,181,311,700	
833923	DEUTSCHE BANK ELT CLC	$0	$120,227,634	$3,910,655,210	$120,227,634	$3,910,655,210	
833529	US BANK ELT NORTHSTAR	$0	$118,004,365	$2,843,266,812	$118,004,365	$2,843,266,812	
830005	WACHOVIA EDUCATION FINANCE INC	$0	$113,624,333	$4,551,023,831	$113,624,333	$4,551,023,831	
808851	DEUTSCHE BANK ELT ACCESS GROUP	$0	$110,906,428	$3,148,735,025	$110,906,428	$3,148,735,025	
830630	SOUTHWEST STUDENT SERV TRUST WFB EL	$17,235,161	$307,516,895	$89,150,081	$1,833,104,447	$106,385,242	$2,140,621,342
834071	SLM EDUCATION FINANCE CREDIT CORP	$0	$84,223,286	$5,953,227,258	$84,223,286	$5,953,227,258	
834042	FIFTH THIRD ELT ED FUND CAP TRUST	$0	$80,884,293	$2,248,300,950	$80,884,293	$2,248,300,950	
834023	MISSOURI HIGHER EDUCATION LOAN AUTH	$1,529,182	$72,746,901	$73,983,094	$2,248,440,652	$75,512,276	$2,321,187,553
833948	BANK OF NY ELT EDSOUTH	$30,940,457	$564,620,484	$44,019,921	$1,989,870,640	$74,960,378	$2,554,491,124
833955	ZIONS FNB ELT GCO ED LOAN FUND TRUS	$0	$68,007,757	$2,385,571,562	$68,007,757	$2,385,571,562	
834117	BANK OF NY ELT GOAL FINANCIAL LLC	$0	$65,510,966	$2,843,243,476	$65,510,966	$2,843,243,476	
834223	JPMORGAN CHASE BANK ELT WACHOVIA LL	$0	$59,630,959	$3,110,590,712	$59,630,959	$3,110,590,712	
833860	FIFTH THIRD ELT STUDENT LOAN XPRESS	$0	$57,516,028	$1,828,856,055	$57,516,028	$1,828,856,055	
827825	IOWA STUDENT LOAN LIQUIDITY CORP	$21,291,088	$412,178,900	$31,938,669	$1,196,943,101	$53,229,757	$1,609,122,001
826688	KENTUCKY HIGHER ED STUDENT LOAN COR	$40,106,950	$699,065,806	$11,571,384	$624,357,973	$51,678,334	$1,323,423,779
833405	US BANK ELT ED LOANS INC	$7,450,821	$133,316,799	$39,479,346	$1,891,047,059	$46,930,167	$2,024,363,858
807037	COLLEGE FOUNDATION INC	$193,126	$5,484,040	$45,629,583	$1,854,427,408	$45,822,708	$1,859,911,448
833922	BONY ELT GOAL FINANCIAL LLC	$0	$45,576,486	$1,399,247,664	$45,576,486	$1,399,247,664	
830075	VSAC EDUCATION LOAN FINANCE PROGRAM	$28,034,326	$530,904,225	$17,352,344	$636,445,046	$45,386,669	$1,167,349,271
824756	CITIBANK (NEW YORK STATE) SLC	$0	$38,705,014	$1,018,358,417	$38,705,014	$1,018,358,417	
834059	BONY ELT COLLEGIATE FUND SVCS RI/CF	$0	$38,620,917	$1,296,946,139	$38,620,917	$1,296,946,139	
825585	MICHIGAN HIGHER EDUCATION STUD LOAN	$17,561,882	$412,663,043	$17,217,962	$1,123,591,445	$34,779,844	$1,536,254,488

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
828863	MISSOURI HIGHER EDUCATION LOAN AUTH	$8,878,031	$153,817,735	$25,076,192	$1,860,485,566	$33,954,223	$2,014,303,301
813830	WACHOVIA EDUCATION FINANCE INC	$0	$33,565,354	$872,043,214	$33,565,354	$872,043,214	
830628	IDAPP	$745,832	$28,202,834	$32,560,798	$1,582,646,623	$33,306,630	$1,610,849,457
826351	ILL DESIGNATED ACCOUNT PURCHASE PR	$2,611,876	$52,661,912	$29,601,493	$995,981,796	$32,213,370	$1,048,643,708
834097	WELLS FARGO ELT NTHEA INC	$11,976,579	$251,471,061	$18,902,055	$828,644,527	$30,878,634	$1,080,115,588
828868	TRUSTMARK BANK ELT MHEAC	$5,808,316	$103,988,173	$24,225,751	$805,120,733	$30,034,067	$909,108,906
833872	BANK OF NY ELT GOAL FINANCIAL LLC	$0	$29,978,848	$1,076,047,420	$29,978,848	$1,076,047,420	
833078	US BANK ELT BSFC	$0	$29,569,743	$1,029,806,602	$29,569,743	$1,029,806,602	
833220	JPMORGAN CHASE ELT KEYCORP	$0	$29,385,932	$1,603,409,143	$29,385,932	$1,603,409,143	
828476	UTAH STATE BOARD OF REGENTS	$9,613,279	$163,242,746	$18,589,477	$655,079,675	$28,202,756	$818,322,421
832095	WELLS FARGO ELT PANHANDLE PLAINS	$18,360,030	$348,849,840	$8,446,118	$455,385,330	$26,806,148	$804,235,170
899980	INDIANA SECONDARY MARKET	$6,653,206	$140,764,497	$19,868,346	$732,662,069	$26,521,551	$873,426,566
800061	SUNTRUST BANK	$0	$26,083,968	$165,814,278	$26,083,968	$165,814,278	
833193	S C STUDENT LOAN-TAXABLE	$0	$26,010,755	$1,194,647,372	$26,010,755	$1,194,647,372	
834092	M&T BANK ELT PHEAA LOAN TRUST I	($21)	$0	$25,626,796	$802,776,693	$25,626,775	$802,776,693
834226	BANK OF NY ELT GOAL CAP FUND TRUST	$0	$25,204,317	$837,741,813	$25,204,317	$837,741,813	
827866	COLLEGEINVEST	$11,738,633	$253,422,510	$13,239,892	$743,823,698	$24,978,525	$997,246,208
831008	STUDENT LOAN FUNDING US BANK ELT	$3,604,935	$72,552,371	$19,822,008	$703,116,150	$23,426,943	$775,668,521
829691	ZIONS BANK ELT SLFA-WA INC	$2,087,202	$38,565,684	$20,973,552	$704,782,171	$23,060,754	$743,347,855
832994	NEW HAMPSHIRE HIGHER ED LOAN CORP	$0	$22,482,534	$886,569,918	$22,482,534	$886,569,918	
811304	SUNTRUST BANK	$0	$22,239,514	$309,498,641	$22,239,514	$309,498,641	
802218	WILMINGTON TRUST ELT SLMA ED	$0	$21,059,715	$1,778,156,962	$21,059,715	$1,778,156,962	
811078	ZIONS BANK ELT SLM RESOURCES LLC	$0	$20,755,606	$422,507,350	$20,755,606	$422,507,350	
809921	PNC EDUCATION LOAN CTR	$0	$20,486,663	$783,584,233	$20,486,663	$783,584,233	
834202	BANK OF NY ELT CIT ED LOAN TRUST	$0	$20,187,612	$829,269,302	$20,187,612	$829,269,302	
830344	WELLS FARGO ELT MHESAC	$3,251,656	$66,350,212	$16,873,999	$633,139,162	$20,125,656	$699,489,374
825659	OKLAHOMA STUDENT LOAN AUTHORITY	$1,253,033	$29,069,493	$17,917,474	$781,134,433	$19,170,507	$810,203,926
822717	NEW MEXICO EDUC ASST FOUNDATION	$13,855,233	$259,928,343	$4,815,728	$245,062,012	$18,670,962	$504,990,355
832775	JP MORGANCHASE ELT USA GROUP SMS	$0	$17,973,952	$1,175,213,494	$17,973,952	$1,175,213,494	
832919	BANK OF NY ELT ALL STUDENT LOAN COR	$3,036,588	$53,246,222	$14,892,044	$535,045,597	$17,928,633	$588,291,819
829076	NELLIE MAE JPMORGAN CHASE ELT	$0	$16,385,510	$1,083,851,451	$16,385,510	$1,083,851,451	
824421	BOA STUDENT BANKING/CA9-169-04-01	$0	$16,169,392	$841,912,619	$16,169,392	$841,912,619	
800097	REGIONS BANK	$0	$16,076,023	$793,864,927	$16,076,023	$793,864,927	

834170	BANK OF NY ELT EDSOUTH	$175,307	$3,383,077	$15,586,708	$685,230,403	$15,762,014	$688,613,480
833960	DEUTSCHE BANK ELT ACCESS GROUP INC	$0	$15,525,146	$394,691,369	$15,525,146	$394,691,369	
899989	SLM ECFC	$0	$15,220,474	$1,004,571,050	$15,220,474	$1,004,571,050	
820177	JP MORGAN CHASE BANK NA	$0	$14,864,455	$554,265,414	$14,864,455	$554,265,414	
834159	ZIONS FNB ELT GCO ED LN FUND & AFF	$0	$14,475,354	$122,650,717	$14,475,354	$122,650,717	
833211	BANK OF NY ELT GTHEA	$7,707,205	$178,406,284	$6,661,187	$393,933,234	$14,368,392	$572,339,518
832260	WELLS FARGO ELT MHESAC	$0	$14,205,021	$502,213,947	$14,205,021	$502,213,947	
834278	BANK OF NY ELT ED LOAN TRUST IV LLC	$0	$14,000,127	$842,491,931	$14,000,127	$842,491,931	
834076	DEUTSCHE BANK ELT ACADEMIC LOAN GRO	$0	$12,386,519	$790,373,139	$12,386,519	$790,373,139	
824690	JPMORGAN CHASE ELT SMS	$0	$12,068,798	$1,361,648,985	$12,068,798	$1,361,648,985	
826717	UTAH STATE BOARD OF REGENTS	$4,706,039	$103,914,544	$7,320,399	$390,715,417	$12,026,437	$494,629,961
834250	DEUTSCHE BANK ELT SUNTRUST	$0	$12,001,382	$546,631,041	$12,001,382	$546,631,041	
831067	CITIBANK (NEW YORK STATE) SLC	$0	$11,971,695	$398,288,582	$11,971,695	$398,288,582	
831245	SOUTHWEST STUDENT SRV TRUST WFB ELT	$7,400,183	$141,012,628	$4,339,276	$245,487,022	$11,739,458	$386,499,650
834119	BANK OF NY ELT GOAL FINANCIAL LLC	$0	$11,361,449	$3,243,823	$11,361,449	$3,243,823	
833670	WELLS FARGO BANK ELT NHELP III	$0	$11,080,984	$470,859,927	$11,080,984	$470,859,927	
834145	BANK OF NY ELT US EDUCATION LOAN TR	$0	$10,959,501	$270,232,708	$10,959,501	$270,232,708	
829739	WACHOVIA EDUCATION FINANCE INC	$0	$10,583,735	$524,546,198	$10,583,735	$524,546,198	
811303	SUNTRUST BANK	$0	$10,484,724	$177,526,126	$10,484,724	$177,526,126	
810691	SUNTRUST BANK NA	$0	$10,430,396	$436,175,451	$10,430,396	$436,175,451	
834086	WELLS FARGO ELT BRAZOS HEA	$3,096,241	$53,575,742	$7,120,401	$488,775,847	$10,216,642	$542,351,589
833617	US BANK ELT EFSI	($14)	$10,180,699	$352,142,260	$10,180,685	$352,142,260	
816386	BANK OF NORTH DAKOTA	$0	$10,103,644	$376,079,579	$10,103,644	$376,079,579	
805149	BANK OF NY ELT TTEE LELA	$5,087,971	$72,942,850	$4,856,997	$255,393,418	$9,944,968	$328,336,268
806746	BANK OF AMERICA N A	$0	$9,873,261	$435,605,399	$9,873,261	$435,605,399	
829769	UTAH STATE BOARD OF REGENTS	$7,039,426	$131,567,279	$2,660,773	$124,595,069	$9,700,199	$256,162,348
833264	WELLS FARGO ELT STHEA INC	$3,608,890	$83,814,523	$6,038,460	$322,017,126	$9,647,350	$405,831,649
828577	RHODE ISLAND STUDENT LOAN AUTHORITY	$4,217,950	$97,681,990	$5,401,630	$239,294,653	$9,619,580	$336,976,643
828614	CSLF/SUSIE MAE	$0	$9,508,801	$419,755,866	$9,508,801	$419,755,866	
830351	SC STUDENT LOAN CORP (SL05)	$1,604,563	$33,220,877	$7,493,857	$234,577,224	$9,098,419	$267,798,101
819873	SUNTRUST BANK	$0	$8,788,364	$526,278,762	$8,788,364	$526,278,762	
833838	US BANK ELT EDINVEST CO	$0	$8,243,928	$240,724,570	$8,243,928	$240,724,570	
833016	SC STUDENT LOAN-93 RES (SL03)	$6,545,140	$47,205,330	$1,377,356	$586,640	$7,922,496	$47,791,970
830492	ASSOCIATED BANK NA	$0	$7,862,009	$346,870,502	$7,862,009	$346,870,502	
822904	CITIBANK ELT STUDENT LOAN CORP	$0	$7,843,123	$554,769,727	$7,843,123	$554,769,727	
811925	JPMORGAN CHASE BANK NA	$0	$7,613,852	$89,508,303	$7,613,852	$89,508,303	
821654	US BANK NA	$0	$7,577,909	$131,357,144	$7,577,909	$131,357,144	
833659	US BANK ELT THEA INC	$0	$7,561,049	$201,875,314	$7,561,049	$201,875,314	
807807	JP MORGAN CHASE BANK	$0	$7,384,789	$44,764,395	$7,384,789	$44,764,395	
899995	SLM ECFC	$0	$7,127,303	$320,848,659	$7,127,303	$320,848,659	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833770	US BANK ELT USEFC	$0	$6,938,059	$234,529,690	$6,938,059	$234,529,690	
832733	BANK OF AMERICA NA	$0	$6,833,225	$336,637,005	$6,833,225	$336,637,005	
827283	WYOMING STUDENT LOAN CORPORATION	$2,542,007	$61,487,189	$4,223,420	$226,727,729	$6,765,427	$288,214,918
818334	BANK OF AMERICA N A	$0	$6,683,652	$285,051,406	$6,683,652	$285,051,406	
832934	BANK OF NY ELT GTHEA (93AB)	$5,892,372	$121,595,074	$777,078	$39,647,285	$6,669,450	$161,242,359
833880	CITIZENS BANK C/O EDUCATION FINANCE	$0	$6,527,206	$252,951,986	$6,527,206	$252,951,986	
827273	PNC EDUCATION LOAN CTR C/O G REITER	$0	$6,436,913	$452,051	$6,436,913	$452,051	
830631	STUDENT LOAN FUNDING US BANK ELT	$6,089,827	$114,871,881	$261,454	$22,160,434	$6,351,281	$137,032,315
834081	BANK OF NY ELT US EDUCATION LOAN TR	$0	$6,335,464	$195,316,428	$6,335,464	$195,316,428	
813760	KEY BANK NA	$0	$6,323,068	$103,907,975	$6,323,068	$103,907,975	
833457	ZIONS FNB ELT NELNET I	$0	$5,945,741	$589,066,763	$5,945,741	$589,066,763	
831846	BANK OF AMERICA N A	$0	$5,776,305	$217,143,227	$5,776,305	$217,143,227	
807743	CITIBANK ELT STUDENT LOAN CORP	$0	$5,720,879	$1,427,187	$5,720,879	$1,427,187	
808047	HSBC BANK USA NA	$0	$5,720,657	$298,675,840	$5,720,657	$298,675,840	
831821	WELLS FARGO ELT PANHANDLE PLAINS	$0	$5,603,161	$173,403,679	$5,603,161	$173,403,679	
815502	NAVY FEDERAL CREDIT UNION	$0	$5,502,235	$239,737,649	$5,502,235	$239,737,649	
833067	AMS EDUCATION LOAN TRUST	$0	$5,401,041	$405,536,647	$5,401,041	$405,536,647	
834064	WELLS FARGO ELT STUD. ASST. MT	$0	$5,357,733	$134,336	$5,357,733	$134,336	
833285	US BANK ELT PSFC	($43)	$5,289,227	$58,005,609	$5,289,184	$58,005,609	
826764	INDUSTRIAL COMMISSION	$4,737,974	$60,863,311	$485,663	$34,717,169	$5,223,638	$95,580,480
801871	BOA STDNT BKNG CA9-169-04-01	$0	$5,204,274	$124,383,392	$5,204,274	$124,383,392	
830308	NELLIE MAE JPMORGAN CHASE ELT	$0	$5,165,708	$218,183,144	$5,165,708	$218,183,144	
833890	FIFTH THIRD ELT STUDENT LOAN XPRESS	$0	$5,039,685	$308,601,940	$5,039,685	$308,601,940	
808780	FIFTH THIRD ELT SLFR MD 10907A	$709,541	$11,900,531	$4,159,863	$221,009,292	$4,869,403	$232,909,823
833307	S C STUDENT LOAN TAXABLE-LLR	$0	$4,729,031	$318,724,549	$4,729,031	$318,724,549	
831453	US BANK ELT EDAMERICA	($769)	$4,597,629	$209,391,740	$4,596,861	$209,391,740	
831455	STUDENT LOAN FUNDING US BANK ELT	$0	$4,578,795	$315,259,912	$4,578,795	$315,259,912	
831300	MELMAC LLC ZIONS BANK ELT	$325,853	$18,014,051	$4,239,761	$225,659,716	$4,565,614	$243,673,767
833079	AMS EDUCATION LOAN TRUST	$0	$4,559,506	$272,276,821	$4,559,506	$272,276,821	
813979	COMMERCE BANK N A	$0	$4,552,243	$170,634,968	$4,552,243	$170,634,968	
810509	WELLS FARGO EDUCATIONAL FIN SVCS	$0	$4,355,406	$165,660,440	$4,355,406	$165,660,440	
831495	BANK OF AMERICA	$0	$3,897,795	$220,149,785	$3,897,795	$220,149,785	
821666	WELLS FARGO ELT FOR SLAAA	$2,567,218	$45,034,222	$1,042,270	$77,606,303	$3,609,488	$122,640,525

833347	BANK OF NY ELT PANHANDLE PLAINS HEA	$1,321,448	$26,243,226	$2,090,023	$105,610,457	$3,411,471	$131,853,683
830310	BNY ELT COLLEGE BOARD	$0	$3,337,847	$1,845,448	$3,337,847	$1,845,448	
829626	STUDENT LOAN FUNDING US BANK ELT	$0	$3,284,350	$228,192,651	$3,284,350	$228,192,651	
833228	US BANK ELT BEA INC	$0	$3,228,731	$5,306,245	$3,228,731	$5,306,245	
833207	STUDENT LOAN FUNDING US BANK ELT	$0	$3,154,060	$196,950,834	$3,154,060	$196,950,834	
807745	CITIZENS BANK NA	$0	$3,118,154	$128,759,891	$3,118,154	$128,759,891	
824515	UNIVERSITY OF PENNSYLVANIA	$0	$3,098,468	$243,243	$3,098,468	$243,243	
829030	CAPITAL ONE NA	$0	$3,021,454	$176,911,479	$3,021,454	$176,911,479	
833495	ZIONS ELT EMT CORP	($109)	$3,015,239	$89,980,020	$3,015,130	$89,980,020	
818611	UNIVERSITY OF WISCONSIN CU	$0	$2,905,647	$92,497,824	$2,905,647	$92,497,824	
833471	AMS EDUCATION LOAN TRUST JPMORGAN E	$0	$2,883,360	$97,914,831	$2,883,360	$97,914,831	
834124	DEUTSCHE BANK ELT K2FINANCIAL LLC	$0	$2,867,731	$118,801,666	$2,867,731	$118,801,666	
832547	WACHOVIA EDUCATION FINANCE INC	$0	$2,845,505	$271,569,898	$2,845,505	$271,569,898	
834218	ARIZONA HIGHER ED LOAN AUTHORITY	$0	$2,783,783	$72,745,288	$2,783,783	$72,745,288	
834308	DEUTSCHE BANK ELT NEXTSTUDENT ELF/M	$0	$2,766,238	$168,749,813	$2,766,238	$168,749,813	
814548	US BANK NA	$0	$2,753,069	$117,403,693	$2,753,069	$117,403,693	
834051	DEUTSCHE BANK ELT NEXTSTUDENT/NS IN	$0	$2,730,608	$417,175	$2,730,608	$417,175	
830694	US BANK NA	$0	$2,698,011	$156,208,209	$2,698,011	$156,208,209	
833074	JPMORGAN CHASE ELT WELLS FARGO TRUS	$0	$2,692,677	$169,891,428	$2,692,677	$169,891,428	
825600	NEW JERSEY HIGHER EDUCA ASST AUTH	($1,507)	$0	$2,679,446	$123,716,298	$2,677,939	$123,716,298
834127	US BANK ELT EDUCATIONAL FUNDING SVC	$0	$2,672,481	$122,924,298	$2,672,481	$122,924,298	
808959	KEY BANK NA	$0	$2,664,862	$14,840,181	$2,664,862	$14,840,181	
820192	UNION BANK CA ELT CHELA FUND I (TEF)	$0	$2,611,956	$52,853	$2,611,956	$52,853	
833921	MASSACHUSETTS ED FINANCING	$0	$2,538,132	$116,385,653	$2,538,132	$116,385,653	
826966	ALASKA (ACPE)	$2,460,035	$50,258,274	$9,697	$1,554,330	$2,469,731	$51,812,604
824135	SUNTRUST BANK	$0	$2,439,223	$14,461,226	$2,439,223	$14,461,226	
832347	BANK OF NY ELT GREATER TX FOUND	$0	$2,383,656	$183,551,524	$2,383,656	$183,551,524	
833017	S C STUDENT LLR	$1,881,549	$17,466,740	$497,673	$263,528	$2,379,222	$17,730,268
833741	WELLS FARGO ELT CTSLC LLC	$1,375,356	$29,801,033	$1,002,634	$75,770,804	$2,377,990	$105,571,837
829640	SLM ECFC	$0	$2,373,440	$157,668,238	$2,373,440	$157,668,238	
888885	SLM ECFC	$0	$2,351,575	$180,245,373	$2,351,575	$180,245,373	
826509	ARKANSAS STUDENT LOAN AUTHORITY	($5,968,655)	$74,272,483	$8,284,678	$299,373,748	$2,316,023	$373,646,231
833032	NOVA SOUTHEASTERN UNIVERSITY	$0	$2,221,131	$16,614,420	$2,221,131	$16,614,420	
828154	CITIBANK NA	$0	$2,195,298	$216,035,775	$2,195,298	$216,035,775	
803688	FIFTH THIRD BANK OF CENTRAL INDIANA	$0	$2,167,514	$123,720,822	$2,167,514	$123,720,822	
830868	UNION BANK & TRUST COMPANY ASAP	$0	$2,158,514	$18,176,484	$2,158,514	$18,176,484	
809081	STILLWATER NATIONAL BANK & TRUST CO	$0	$2,121,695	$74,082,909	$2,121,695	$74,082,909	
827269	US BANK NA	$0	$2,118,347	$108,401,453	$2,118,347	$108,401,453	
833702	ZIONS ELT NELNET II	$0	$2,096,280	$357,205,490	$2,096,280	$357,205,490	
820164	UNION BK CA ELT CHELA FUND I (TEFFC)	$1,392,916	$3,168	$582,322	$331,193	$1,975,238	$334,361

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
816086	US BANK NA	$0	$1,962,883	$111,563,725	$1,962,883	$111,563,725	
834131	BANK OF NY ELT GOLDMAN SACHS	$0	$1,957,501	$189,988	$1,957,501	$189,988	
830731	NOTRE DAME CREDIT UNION	$0	$1,950,330	$71,465,903	$1,950,330	$71,465,903	
833881	CITIZENS BANK C/O EDUCATION FINANCE	$0	$1,918,082	$88,997,882	$1,918,082	$88,997,882	
810513	WELLS FARGO EDUCATIONAL FIN SVCS	$0	$1,910,139	$6,038,015	$1,910,139	$6,038,015	
833691	NELLIE MAE JPMORGAN CHASE ELT	$1,538,672	$26,697,813	$359,871	$32,469,911	$1,898,543	$59,167,724
808877	NATIONAL CITY BANK OF OHIO	$0	$1,877,327	$12,703,518	$1,877,327	$12,703,518	
810388	US BANK NA	$0	$1,866,176	$84,463,646	$1,866,176	$84,463,646	
809582	PNC EDUCATION LOAN CTR	$0	$1,856,504	$2,860,121	$1,856,504	$2,860,121	
830604	HSBC BANK USA	$0	$1,828,112	$43,115,212	$1,828,112	$43,115,212	
813298	WELLS FARGO EDUCATION FIN SVCS	$0	$1,812,613	$102,513,578	$1,812,613	$102,513,578	
808037	JP MORGANCHASE BANK	$0	$1,805,888	$2,844,847	$1,805,888	$2,844,847	
820682	SAN ANTONIO FCU	$0	$1,801,427	$129,612,699	$1,801,427	$129,612,699	
814321	JPMORGAN CHASE BANK NA	$0	$1,793,414	$9,200,269	$1,793,414	$9,200,269	
832339	BANK OF NY ELT GTHEA (92AB)	$1,785,080	$36,960,240	$1,990	$780,758	$1,787,070	$37,740,998
817729	CITIZENS BANK C/O EDUCATION FINANCE	$0	$1,763,691	$70,465,282	$1,763,691	$70,465,282	
831692	STUDENT LOAN FUNDING US BANK ELT	$1,391,900	$7,961,956	$352,334	$31,423,824	$1,744,234	$39,385,780
813894	WELLS FARGO EDUCATION FIN SVCS	$0	$1,725,450	$81,363,754	$1,725,450	$81,363,754	
822583	DOLLAR BANK	$0	$1,691,616	$12,643,205	$1,691,616	$12,643,205	
832776	JPMORGAN CHASE ELT SMS CORP—HI	$687,419	$13,055,632	$990,276	$54,377,983	$1,677,695	$67,433,615
833128	SC STUDENT LOAN TAXABLE	$0	$1,665,457	$8,916	$1,665,457	$8,916	
833864	US BANK ELT ACADEMIC FIN CORP	$0	$1,592,920	$108,775,186	$1,592,920	$108,775,186	
819414	BENEFICIAL SAVINGS BANK	$0	$1,590,920	$71,898,895	$1,590,920	$71,898,895	
833570	US BANK ELT ACCESS GROUP	$0	$1,567,997	$59,191,082	$1,567,997	$59,191,082	
833752	BANK OF NY ELT ALL STUDENT LOAN COR	$684,281	$17,952,418	$863,612	$59,908,581	$1,547,893	$77,860,999
821359	FIRST NATIONAL BANK OF BRYAN	$0	$1,544,988	$39,351,990	$1,544,988	$39,351,990	
810612	REGIONS BANK	$0	$1,501,607	$17,431,726	$1,501,607	$17,431,726	
805317	BANK OF AMERICA	$0	$1,498,939	$7,622,306	$1,498,939	$7,622,306	
811698	US BANK NA	$0	$1,485,878	$74,835,812	$1,485,878	$74,835,812	
831056	WELLS FARGO ELT PANHANDLE PLAINS SL	$0	$1,484,071	$89,084,720	$1,484,071	$89,084,720	
822573	GEORGIA STUDENT FINANCE AUTHORITY	$0	$1,472,832	$69,263,687	$1,472,832	$69,263,687	
823011	ANCHORBANK F S B	$0	$1,429,720	$93,734,160	$1,429,720	$93,734,160	
821728	TCF NATIONAL BANK	$0	$1,420,971	$3,496,978	$1,420,971	$3,496,978	

811323	WACHOVIA EDUCATION FINANCE INC	$0	$1,397,569	$6,603,030	$1,397,569	$6,603,030	
833356	YORK BK CNS ELT 97I EDUCAID/WACHOVI	$0	$1,373,195	$96,980,273	$1,373,195	$96,980,273	
820564	SUNTRUST BANK	$0	$1,356,653	$42,507,133	$1,356,653	$42,507,133	
829988	NELLIE MAE JPMORGAN CHASE ELT	$0	$1,325,244	$63,702,208	$1,325,244	$63,702,208	
834082	WELLS FARGO NA ELT EDUCAP INC	$0	$1,319,689	$84,839,990	$1,319,689	$84,839,990	
801890	US BANK NA	$0	$1,315,323	$71,814,047	$1,315,323	$71,814,047	
834105	FINANCE AUTHORITY OF MAINE	$0	$1,303,124	$84,797,360	$1,303,124	$84,797,360	
815745	SIMMONS FIRST NATIONAL BANK	$0	$1,283,663	$63,487,446	$1,283,663	$63,487,446	
828141	NORTHWEST SAVINGS BANK	$0	$1,266,337	$66,448	$1,266,337	$66,448	
804267	US BANK NA	$0	$1,241,231	$46,712,572	$1,241,231	$46,712,572	
803909	UNION BANK & TRUST	$0	$1,213,916	$65,533,889	$1,213,916	$65,533,889	
833668	SC STUDENT LOAN CORP (LL05)	$124,154	$2,057,939	$1,087,813	$61,281,871	$1,211,966	$63,339,810
808036	M & T BANK EDUCATIONAL LENDING	$0	$1,202,253	$288,568	$1,202,253	$288,568	
805204	CITIZENS BANK C/O EDUCATION FINANCE	$0	$1,180,637	$45,536,303	$1,180,637	$45,536,303	
833456	ZIONS FNB ELT NHELP II INC	$0	$1,174,786	$39,685,480	$1,174,786	$39,685,480	
824206	JPMORGAN CHASE BANK NA	$0	$1,164,667	$7,186,088	$1,164,667	$7,186,088	
824650	WELLS FARGO EDUCATION FIN SVCS	$0	$1,146,631	$62,854,858	$1,146,631	$62,854,858	
834011	FIFTH THIRD ELT STUDENT LOAN XPRESS	$0	$1,126,717	$76,841,810	$1,126,717	$76,841,810	
831416	ANCHORBANK FSB	$0	$1,108,530	$95,895,899	$1,108,530	$95,895,899	
834172	US BANK ELT GRADUATE LEVERAGE	$0	$1,105,957	$16,763,617	$1,105,957	$16,763,617	
828707	SOVEREIGN BANK	$0	$1,104,340	$45,894,529	$1,104,340	$45,894,529	
807674	BANK OF AMERICA N A	$0	$1,102,626	$47,605,912	$1,102,626	$47,605,912	
833883	CITIZENS BANK C/O EDUCATION FINANCE	$0	$1,052,872	$21,971,422	$1,052,872	$21,971,422	
833816	US BANK ELT OHIO CENTRIC	$0	$1,047,102	$36,488,233	$1,047,102	$36,488,233	
810148	CLS—NATIONAL CITY BANK PITTSBURG	$0	$1,009,846	$5,050,766	$1,009,846	$5,050,766	
806773	BOONE COUNTY NATIONAL BANK	$0	$1,009,678	$19,921,177	$1,009,678	$19,921,177	
826079	BANK OF AMERICA N A	$0	$996,456	$40,344,830	$996,456	$40,344,830	
834158	BANK OF NY ELT COLLEGE SOLUTIONS NE	$0	$991,247	$659,745	$991,247	$659,745	
829503	PA HIGHER ED ASST AGENCY	$0	$962,633	$21,228,386	$962,633	$21,228,386	
804609	US BANK NA	$0	$960,725	$47,155,192	$960,725	$47,155,192	
808258	US BANK NA	$0	$955,083	$54,642,469	$955,083	$54,642,469	
833732	US BANK ELT AMERIFUND	$0	$934,110	$3,145,736	$934,110	$3,145,736	
813385	MEMBERS 1ST FEDERAL CREDIT UNION	$0	$926,491	$34,267,174	$926,491	$34,267,174	
824514	UNIVERSITY OF CHICAGO	$0	$892,757	$25,838,212	$892,757	$25,838,212	
821920	FIRSTRUST SAVINGS BANK	($111)	$889,420	$32,254,627	$889,310	$32,254,627	
831221	SC STUDENT LOAN CORPORATION	$0	$856,898	$0	$856,898	$0	
808626	JPMORGAN CHASE BANK NA	$0	$856,378	$85,362	$856,378	$85,362	
834093	WEBSTER UNIVERSITY	$0	$850,828	$2,029,694	$850,828	$2,029,694	
808140	CHARTER ONE BANK NA	$0	$835,765	$37,148,049	$835,765	$37,148,049	
834246	US BANK ELT KNOWLEDGEFUNDING OHIO	$226	$834,584	$58,592,235	$834,809	$58,592,235	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
810883	FROST NATIONAL BANK	$0	$828,510	$19,098,314	$828,510	$19,098,314	
817455	ZIONS BANK	$0	$823,376	$36,693,546	$823,376	$36,693,546	
811949	M&I MARSHALL & ILSLEY BANK	$0	$816,884	$4,563,367	$816,884	$4,563,367	
819590	SECURITY SERVICE FCU	$0	$813,973	$44,148,006	$813,973	$44,148,006	
822373	AMERICA FIRST CREDIT UNION	$0	$804,989	$36,175,943	$804,989	$36,175,943	
833820	ZIONS ELT EDUCATION SOLUTIONS INC	$0	$800,735	$3,036,199	$800,735	$3,036,199	
834132	HANCOCK BANK ELT MHEAC	$0	$798,930	$37,662,768	$798,930	$37,662,768	
805178	BANK OF NY ELT TTEE LELA	$600,580	$23,137,957	$196,885	$13,444,894	$797,465	$36,582,851
808543	UNION BANK & TRUST	$0	$792,752	$5,424,546	$792,752	$5,424,546	
806361	BREMER BANK NA	$0	$786,220	$36,115,943	$786,220	$36,115,943	
829077	SOUTHWEST STUDENT SERV TRUST WFB EL	$0	$772,177	$48,595,148	$772,177	$48,595,148	
804435	COMMERCE BANK AND TRUST	$0	$759,942	$43,789,998	$759,942	$43,789,998	
819958	FARMERS SAVINGS BANK	$0	$759,369	$15,252,377	$759,369	$15,252,377	
823584	BANK OF LAKE MILLS	$0	$731,683	$3,600,131	$731,683	$3,600,131	
833789	ZIONS ELT STUDENT LN FIN ASSOC INC	$0	$728,851	$43,831,618	$728,851	$43,831,618	
812265	CITIZENS BANK C/O EDUCATION FINANCE	$0	$726,467	$31,010,542	$726,467	$31,010,542	
810457	FNB SIOUX FALLS	$0	$720,050	$9,062	$720,050	$9,062	
833214	STUDENT LOAN FUNDING US BANK ELT	$0	$718,588	$39,819,685	$718,588	$39,819,685	
820043	WASHINGTON MUTUAL BANK FA	$0	$716,020	$415,735	$716,020	$415,735	
802445	WACHOVIA EDUCATION FINANCE INC	$0	$714,772	$11,365,416	$714,772	$11,365,416	
834006	KEY BANK NA ELT INDIANA SECONDARY M	$0	$688,571	$2,633,540	$688,571	$2,633,540	
827954	GUARANTY BANK	$0	$676,733	$4,724,332	$676,733	$4,724,332	
812089	TEXAS HIGHER EDUCATION COORD BOARD	$424,017	$16,891,628	$251,411	$16,112,294	$675,428	$33,003,922
833331	USC CREDIT UNION	$0	$673,880	$29,306,292	$673,880	$29,306,292	
802176	BANK OF AMERICA	$0	$659,382	$1,890,601	$659,382	$1,890,601	
833443	COMPASS BANK	$0	$652,746	$34,424,569	$652,746	$34,424,569	
834004	FIRST NATIONAL BANK	$0	$636,552	$4,542,076	$636,552	$4,542,076	
833908	FIFTH THIRD ELT STUDENT LOAN XPRESS	$0	$623,214	$5,703,629	$623,214	$5,703,629	
829771	TCF NATIONAL BANK	$0	$620,503	$141,566	$620,503	$141,566	
833487	BANK OF NY ELT LOANSTAR	$0	$0	$619,173	$24,257,024	$619,173	$24,257,024
810240	CITIZENS BANK C/O EDUCATION FINANCE	$0	$612,565	$30,834,135	$612,565	$30,834,135	
820163	UNION BANK CA ELT CHELA FUND II (TE)	$12,940	$0	$594,319	$439,200	$607,259	$439,200
828893	PENNSYLVANIA STATE EMPLOYEES CREDIT	$0	$605,136	$25,980,472	$605,136	$25,980,472	

818260	FIRST HAWAIIAN BANK	$0	$604,450	$30,109,871	$604,450	$30,109,871	
824246	CONNECTICUT STUDENT LOAN FOUNDATION	$0	$604,034	$22,645,855	$604,034	$22,645,855	
816376	TINKER FEDERAL CREDIT UNION	$0	$600,361	$34,106,833	$600,361	$34,106,833	
821614	UNION BANK CA ELT CHELA FUND I (TEF)	$249,317	$342,927	$107,157	$592,244	$107,157	
834040	WELLS FARGO ELT OPUS FINANCIAL INC	$0	$588,256	$989,146	$588,256	$989,146	
827427	MISSION FEDERAL CREDIT UNION	$0	$579,561	$21,973,311	$579,561	$21,973,311	
834204	FIFTH THIRD BANK ELT FINANSURE STUD	$0	$573,416	$25,001,032	$573,416	$25,001,032	
830248	UTAH STATE BOARD OF REGENTS/STNF	$572,615	$12,443,094	$0	$572,615	$12,443,094	
805156	JPMORGAN CHASE BANK NA	$0	$571,243	$3,142,300	$571,243	$3,142,300	
828957	PHILADELPHIA FEDERAL CREDIT UNION	$0	$570,306	$23,769,305	$570,306	$23,769,305	
808190	TEACHERS FCU	$0	$570,091	$24,459,881	$570,091	$24,459,881	
808857	JPMORGAN CHASE BANK NA	$0	$560,748	$6,538,059	$560,748	$6,538,059	
831543	WASHINGTON MUTUAL BANK FA	$0	$558,840	$2,680,739	$558,840	$2,680,739	
833174	BANK OF NY ELT ALL STUDENT LOAN COR	$23,262	$905,667	$535,552	$68,339,754	$558,814	$69,245,421
828875	COLLEGEINVEST	$53,595	$1,207,439	$500,090	$27,629,717	$553,684	$28,837,156
810815	FIRST NATIONAL BANK	$0	$549,131	$33,695,801	$549,131	$33,695,801	
833585	JPMORGANCHASE ELT AMS FINANCING ENT	$0	$548,273	$27,978,860	$548,273	$27,978,860	
831428	MIDWESTERN UNIVERSITY	$0	$546,465	$2,077,022	$546,465	$2,077,022	
811978	WELLS FARGO EDUCATIONAL FIN SVCS	$0	$540,224	$32,240,818	$540,224	$32,240,818	
800635	BOA STUDENT BANKING/CA9-169-04-01	$0	$537,944	$24,001,213	$537,944	$24,001,213	
809063	BANK OF OKLAHOMA	$0	$532,789	$7,749,693	$532,789	$7,749,693	
828148	UNIVERSITY FEDERAL CREDIT UNION	($29)	$525,861	$521,259	$525,832	$521,259	
828078	COMPASS BANK	$0	$523,061	$33,549,363	$523,061	$33,549,363	
806965	US BANK NA	$0	$520,642	$23,502,153	$520,642	$23,502,153	
805987	COMERICA BANK	$0	$517,134	$333,522	$517,134	$333,522	
834101	US BANK ELT SCHOOL LOANS CORP	$0	$516,005	$16,357,111	$516,005	$16,357,111	
809478	M &T BANK EDUCATIONAL LENDING	$0	$512,935	$1,046,750	$512,935	$1,046,750	
808622	FIRSTMERIT BANK N. A$0	$511,245	$24,050,927	$511,245	$24,050,927		
833751	BANK OF NY ELT ALL STUDENT LOAN COR	$0	$503,284	$53,546,992	$503,284	$53,546,992	
830445	AGGIELAND CREDIT UNION	$0	$488,915	$21,004,285	$488,915	$21,004,285	
813721	TRUSTMARK NATIONAL BANK	$0	$487,581	$332,109	$487,581	$332,109	
823291	FIRSTMARK CREDIT UNION	$0	$486,518	$2,658	$486,518	$2,658	
807329	CITIZENS BANK C/O EDUCATION FINANCE	$0	$464,394	$16,836,386	$464,394	$16,836,386	
833364	JPMORGAN CHASE ELT PNC	$0	$462,979	$94,605,451	$462,979	$94,605,451	
819628	JPMORGAN CHASE BANK NA	$0	$461,600	$1,512,004	$461,600	$1,512,004	
804581	EMPRISE BANK	$0	$460,964	$24,387,568	$460,964	$24,387,568	
832384	WELLS FARGO EDUCATION FIN SVCS	$0	$456,230	$30,059,956	$456,230	$30,059,956	
831387	BANK OF MISSISSIPPI ELT MHEAC	$295,997	$12,569,426	$156,170	$26,424,912	$452,166	$38,994,338
824289	LASALLE BANK	$0	$446,335	$1,290,887	$446,335	$1,290,887	
818464	SUNCOAST SCHOOLS FCU	$0	$446,262	$18,732,294	$446,262	$18,732,294	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
801764	WELLS FARGO EDUCATION FIN SVCS	$0	$444,805	$60,114	$444,805	$60,114	
819480	EDUCATORS CREDIT UNION	$0	$443,003	$21,579,334	$443,003	$21,579,334	
833669	UNION BANK & TRUST ELT NAT'L ED LNS	$0	$438,967	$1,393,835	$438,967	$1,393,835	
817546	MOUNTAIN AMERICA CREDIT UNION	$0	$438,437	$19,582,424	$438,437	$19,582,424	
806627	BANCORPSOUTH	$0	$435,975	$74,787	$435,975	$74,787	
820238	BANC FIRST	$0	$435,412	$24,189,367	$435,412	$24,189,367	
831726	BANC FIRST	$0	$430,097	$13,149,428	$430,097	$13,149,428	
833930	UNION BANK ELT TROJAN FINANCIAL	$0	$427,032	$13,410,499	$427,032	$13,410,499	
828352	JPMORGAN CHASE BANK NA	$0	$426,109	$1,225,455	$426,109	$1,225,455	
803143	ALBANY BANK AND TRUST CO	$0	$423,235	$757,113	$423,235	$757,113	
828062	DOW CHEMICAL EMPLOYEES' CU	$0	$421,514	$17,296,566	$421,514	$17,296,566	
810753	COMMERCIAL BANK OF TEXAS N A	$0	$420,455	$19,879,101	$420,455	$19,879,101	
811353	SUNTRUST BANK	$0	$410,913	$14,305,335	$410,913	$14,305,335	
810088	FULTON BANK	$0	$409,154	$18,652,555	$409,154	$18,652,555	
815678	US BANK NA	$0	$399,267	$17,115,477	$399,267	$17,115,477	
811025	KEY BANK NA	$0	$399,222	$10,008,059	$399,222	$10,008,059	
822135	TCF NATIONAL BANK	$0	$398,077	$3,076,875	$398,077	$3,076,875	
823459	ROYAL CREDIT UNION	$0	$388,700	$18,133,551	$388,700	$18,133,551	
811735	BANK OF AMERICA NA	$0	$387,926	$12,167,032	$387,926	$12,167,032	
805243	BANK OF AMERICA	$0	$382,275	$1,326,982	$382,275	$1,326,982	
824565	NORTHWESTERN UNIVERSITY	$0	$381,068	$11,748,595	$381,068	$11,748,595	
810166	UNIVEST NATIONAL BANK & TRUST	$0	$377,389	$14,102,649	$377,389	$14,102,649	
808865	JPMORGAN CHASE BANK NA	$0	$375,719	$8,484,936	$375,719	$8,484,936	
810710	AMARILLO NATIONAL BANK	$0	$374,534	$16,700,717	$374,534	$16,700,717	
826861	CITIZENS BANK C/O EDUCATION FINANCE	$0	$374,086	$18,316,088	$374,086	$18,316,088	
833130	SUMMIT CREDIT UNION	$0	$364,823	$13,278,282	$364,823	$13,278,282	
819129	BANK MUTUAL	$0	$361,719	$16,317,046	$361,719	$16,317,046	
831459	WESTCONSIN CREDIT UNION	$0	$360,860	$14,853,331	$360,860	$14,853,331	
825509	JPMORGAN CHASE BANK N A	$0	$358,836	$1,185,978	$358,836	$1,185,978	
802828	NATIONAL CITY BANK MI-IL	$0	$357,631	$10,292,596	$357,631	$10,292,596	
829257	PURDUE EMPLOYEES F C U	$0	$351,402	$67,394	$351,402	$67,394	
824821	UNIVERSITY OF DENVER	$0	$344,761	$0	$344,761	$0	
824945	MICHIGAN STATE UNIVERSITY	$0	$342,803	$0	$342,803	$0	

833575	EDUCATION SERVICES FOUNDATION	$0	$338,511	$909,020	$338,511	$909,020	
800301	ARVEST BANK	$0	$338,231	$1,073,618	$338,231	$1,073,618	
811930	US BANK NA	$0	$338,023	$17,475,823	$338,023	$17,475,823	
809070	BANC FIRST	$0	$336,822	$13,580,878	$336,822	$13,580,878	
825163	GEORGE WASHINGTON UNIVERSITY	$0	$332,016	$282,293	$332,016	$282,293	
833416	FIRST NAT'L BANK—HUNTSVILLE	$0	$323,684	$17,347,345	$323,684	$17,347,345	
808238	FIRST NATIONAL BANK OF OMAHA	$0	$323,189	$12,845,187	$323,189	$12,845,187	
834058	DEUTSCHE BANK ELT MEDPREFERRED	$0	$322,888	$14,573,121	$322,888	$14,573,121	
807878	FIRST NIAGARA FINANCIAL GROUP	$0	$322,697	$20,613,004	$322,697	$20,613,004	
829505	WASHINGTON MUTUAL BANK FA	$0	$322,420	$112,712	$322,420	$112,712	
834036	UNION BANK ELT WAYNE STATE U	$0	$316,460	$316,460	$0		
812967	PENN SECURITY BANK & TRUST CO	$0	$314,750	$12,919,099	$314,750	$12,919,099	
820605	KLEBERG FIRST NATIONAL BANK	$0	$313,277	$15,362,989	$313,277	$15,362,989	
807772	FIVE STAR BANK	$0	$312,808	$63,634	$312,808	$63,634	
831785	STUDENT LOAN FUNDING US BANK ELT	$296,983	$5,440,874	$10,675	$1,150,439	$307,659	$6,591,313
824697	OXFORD BANK & TRUST	$0	$307,115	$14,763,688	$307,115	$14,763,688	
829123	UTAH COMMUNITY CREDIT UNION	$0	$306,941	$13,757,613	$306,941	$13,757,613	
808956	JPMORGAN CHASE BANK NA	$0	$303,536	$48,044,014	$303,536	$48,044,014	
831003	ARVEST BANK NORMAN	$0	$300,059	$12,536,082	$300,059	$12,536,082	
823546	UNIVERSITY OF MISSOURI-KANSAS CITY	$0	$299,362	$721,773	$299,362	$721,773	
828943	ERIE FCU	$0	$293,041	$10,244,155	$293,041	$10,244,155	
820807	REGIONS BANK	$0	$291,707	$15,313,057	$291,707	$15,313,057	
833314	PLAINSCAPITAL BANK	$0	$289,121	$0	$289,121	$0	
809514	FIRST COMMONWEALTH	$0	$288,503	$11,045,786	$288,503	$11,045,786	
833197	DAUPHIN CNS ELT 95I EDUCAID/WACHOVI	$0	$286,311	$3,369	$286,311	$3,369	
803238	THE NATIONAL BANK	$0	$284,281	$5,245	$284,281	$5,245	
807015	FIRST INTERSTATE BANK OF MONTANA	$0	$283,468	$8,599,921	$283,468	$8,599,921	
831643	ROSALIND FRANKLIN UNIV/MED&SCIENCE	$0	$281,128	$61,950	$281,128	$61,950	
831836	ORANGE COUNTY TEACHERS FCU	$0	$280,900	$13,218,986	$280,900	$13,218,986	
833963	US BANK ELT ACAPITA	$0	$280,785	$16,085,468	$280,785	$16,085,468	
834037	TUFTS UNIVERSITY	$0	$280,602	$22,222	$280,602	$22,222	
821628	UNION BANK CA ELT CHELA FUND I (TEF)	$29,916	$0	$249,643	$652,584	$279,558	$652,584
803310	JPMORGAN CHASE BANK NA	$0	$278,414	$3,245,543	$278,414	$3,245,543	
826651	UNIVERSITY OF MIAMI	$0	$270,515	$453,832	$270,515	$453,832	
810563	FIRST TENNESSEE BANK	$0	$265,627	$126,555	$265,627	$126,555	
804189	SECURITY NATIONAL BANK	$0	$263,829	$9,321,387	$263,829	$9,321,387	
821375	ALTRA FCU	$0	$261,028	$9,353,314	$261,028	$9,353,314	
802560	SUNTRUST BANK	$0	$260,367	$10,228,961	$260,367	$10,228,961	
808628	US BANK NA	$0	$259,679	$14,337,251	$259,679	$14,337,251	
818093	JPMORGAN CHASE BANK NA	$0	$259,433	$1,194,043	$259,433	$1,194,043	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833102	TSB MCALLEN- ELT COSTEP	$0	$254,236	$12,015,251	$254,236	$12,015,251	
834060	US BANK ELT EDAMERICA	$0	$249,538	$1,651,785	$249,538	$1,651,785	
809094	ARVEST BANK	$0	$248,682	$12,973,914	$248,682	$12,973,914	
821176	KANSAS STATE BANK OF MANHATTAN KS	$0	$248,607	$159,716	$248,607	$159,716	
824310	WASHINGTON UNIVERSITY	$0	$248,527	$8,460	$248,527	$8,460	
805974	JPMORGAN CHASE BANK NA	$0	$245,518	$682,789	$245,518	$682,789	
824890	REGIS UNIVERSITY	$0	$241,519	$60,486	$241,519	$60,486	
830674	WELLS FARGO EDUCATION FIN SVCS	$0	$240,149	$16,171,173	$240,149	$16,171,173	
831036	INDEPENDENCE FSB	$0	$238,206	$4,920,253	$238,206	$4,920,253	
833738	PALMER COLLEGE OF CHIROPRACTIC	$0	$237,751	$0	$237,751	$0	
830526	ST LOUIS COMMUNITY CREDIT UNION	$0	$237,154	$8,623,664	$237,154	$8,623,664	
834096	BANCORPSOUTH ELT MHEAC	$183,356	$8,482,235	$51,173	$3,849,670	$234,529	$12,331,905
811111	SUNTRUST BANK	$0	$234,449	$132,375,855	$234,449	$132,375,855	
827305	UNIVERSITY CREDIT UNION	$0	$232,857	$10,223,683	$232,857	$10,223,683	
833895	ZIONS ELT NELNET MGMT CORP-1 & AFF	$0	$230,573	$724,431,823	$230,573	$724,431,823	
830489	COMERICA BANK	$0	$227,181	$10,433,934	$227,181	$10,433,934	
810742	CITIZENS STATE BANK	$0	$224,727	$5,866,170	$224,727	$5,866,170	
834111	US BANK ELT PCOM STUDENT LOAN LLC	$0	$224,594	$44,351	$224,594	$44,351	
833901	BANK OF NY ELT US EDUCATION LOAN TR	$0	$223,376	$0	$223,376	$0	
834048	KANSAS CITY UNIV MED & BIO SCI	$0	$223,038	$0	$223,038	$0	
831506	COMMUNITY TRUST BANK	$0	$221,775	$12,026,509	$221,775	$12,026,509	
827526	MISSOULA FEDERAL CREDIT UNION	$0	$220,717	$6,467,257	$220,717	$6,467,257	
830132	UNIVERSITY OF UTAH CU	$0	$219,517	$9,590,992	$219,517	$9,590,992	
824837	AMERICAN UNIVERSITY	$0	$214,843	$110,030	$214,843	$110,030	
813331	CHARLEROI FEDERAL SAVINGS & LOAN	$0	$210,665	$7,997,110	$210,665	$7,997,110	
834129	UNIVERSITY OF SAN FRANCISCO	$0	$210,610	$2,258	$210,610	$2,258	
833965	UNIVERSITY OF MD BALTIMORE	$0	$209,449	$0	$209,449	$0	
815961	UNITED MISSOURI BANK OF KANSAS CITY	$0	$209,126	$7,561,724	$209,126	$7,561,724	
826910	COMMUNITY FIRST CREDIT UNION	$0	$208,876	$9,329,203	$208,876	$9,329,203	
820718	INTERNATIONAL BANK OF COMMERCE	$0	$208,669	$5,217,099	$208,669	$5,217,099	
831925	ZIONS BANK (OREGON FIRST)	$0	$206,450	$2,513,359	$206,450	$2,513,359	
808588	JPMORGAN CHASE BANK NA	$0	$205,354	$27,863,404	$205,354	$27,863,404	
829441	MARINE CREDIT UNION	$0	$203,596	$8,372,756	$203,596	$8,372,756	

820998	SPOKANE TEACHERS CREDIT UNION	$0	$202,909	$9,076,496	$202,909	$9,076,496
831366	CITIBANK NA ELT STUDENT LOAN CORP	$0	$200,903	$7,322,637	$200,903	$7,322,637
831011	SUN EAST FCU	$0	$199,397	$7,881,858	$199,397	$7,881,858
829443	WRIGHT-PATT CREDIT UNION INC	$0	$195,709	$10,706,997	$195,709	$10,706,997
805148	WHITNEY NATIONAL BANK	$0	$194,333	$777,802	$194,333	$777,802
829384	WAKEFIELD CO-OPERATIVE BANK	$0	$188,978	$4,472,263	$188,978	$4,472,263
831216	JP MORGANCHASE BANK	$0	$187,955	$6,445,332	$187,955	$6,445,332
831555	US BANK NA	$0	$186,450	$4,086,339	$186,450	$4,086,339
810778	FIRST FINANCIAL BANK NA	$0	$184,266	$229,964	$184,266	$229,964
803799	FIRST FINANCIAL BANK	$0	$183,874	$8,695,757	$183,874	$8,695,757
808942	CLS-NATIONAL CITY BANK	$0	$181,431	$781,461	$181,431	$781,461
820946	US BANK NA	$0	$179,170	$7,485,273	$179,170	$7,485,273
822466	CASE WESTERN RESERVE UNIVERSITY	$0	$178,456	$288,963	$178,456	$288,963
822660	COMERICA BANK	$0	$172,358	$1,237,646	$172,358	$1,237,646
831083	A.T. STILL UNIV OF HEALTH SCI	$0	$170,972	$29,437	$170,972	$29,437
834231	US BANK ELT AFFINITY DIRECT	$0	$170,808	$1,943,288	$170,808	$1,943,288
830612	A.T. STILL UNIV OF HEALTH SCI	$0	$169,242	$0	$169,242	$0
800246	ARKANSAS RURAL ENDOWMENT FUND INC	$0	$169,087	$169,087	$0	
833395	JPMORGAN CHASE ELT FIRST UNION NAT'	$0	$168,003	$20,575,107	$168,003	$20,575,107
820622	JPMORGAN CHASE BANK NA	$0	$165,862	$13,566,008	$165,862	$13,566,008
828454	ADELPHI UNIVERSITY	$0	$164,920	$23,038	$164,920	$23,038
834182	UNIVERSITY OF NEW MEXICO	$0	$163,144	$77,558	$163,144	$77,558
824705	PATRIOT FEDERAL CREDIT UNION	$0	$161,742	$6,209,907	$161,742	$6,209,907
806722	CADENCE BANK NA	$0	$161,221	$6,563,556	$161,221	$6,563,556
825175	UNIVERSITY OF DAYTON	$0	$159,614	$13,969	$159,614	$13,969
833946	US BANK ELT 1ST STUDENT FINANCIAL	$0	$159,045	$9,124,946	$159,045	$9,124,946
830977	POLICE & FIRE FEDERAL CREDIT UNION	$0	$158,241	$9,443,803	$158,241	$9,443,803
833599	WACHOVIA EDUCATION FINANCE INC	$0	$157,104	$5,967,876	$157,104	$5,967,876
828341	TEXAS STATE BANK	$0	$156,891	$7,650,844	$156,891	$7,650,844
811076	ZIONS BANK (WASHINGTON FIRST)	$0	$154,815	$2,508,573	$154,815	$2,508,573
802486	SUNTRUST BANK	$0	$154,751	$154,751	$0	
821623	UNION BANK CA ELT CHELA FUND I (TEF)	$37,883	$115,310	$113,914	$153,194	$113,914
833918	SOUTHERN METHODIST UNIVERSITY	$0	$152,748	$41,668	$152,748	$41,668
833750	WESTERN UNIV OF HEALTH SCIENCES	$0	$152,584	$618,085	$152,584	$618,085
801891	US BANK NA	$0	$152,242	$3,095	$152,242	$3,095
831824	US BANK NA	$0	$150,818	$5,660,015	$150,818	$5,660,015
832215	NET FCU	$0	$149,801	$5,512,386	$149,801	$5,512,386
809643	HARLEYSVILLE NAT'L BANK AND TRUST	$0	$149,172	$7,910,371	$149,172	$7,910,371
827242	HOME SAVINGS & LOAN CO YOUNGSTOWN	$0	$149,064	$7,000	$149,064	$7,000
831122	THE INDEPENDENT BANKERS BANK	$0	$148,550	$6,451,709	$148,550	$6,451,709

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
803634	JPMORGAN CHASE BANK NA	$0	$147,689	$148,804	$147,689	$148,804	
812187	UNIVERSITY OF OKLAHOMA LEW WENTZ FO	$0	$147,610	$0	$147,610	$0	
813389	FIRST COMMONWEALTH F C U	$0	$147,192	$5,374,625	$147,192	$5,374,625	
829189	ALABAMA HIGHER EDUCATION LOAN CORP	$101,677	$3,074,842	$42,896	$2,915,872	$144,573	$5,990,714
830186	JP MORGAN CHASE BANK	$0	$142,652	$6,418,076	$142,652	$6,418,076	
809685	LAFAYETTE BANK	$0	$142,173	$5,632,003	$142,173	$5,632,003	
823699	ASSOCIATED BANK N.A$0	$141,984	$141,984	$0			
833810	CARNEGIE INSURANCE COMPANY	$0	$139,948	$574,430	$139,948	$574,430	
824721	DUKE UNIVERSITY	$0	$139,463	$38,125	$139,463	$38,125	
832748	OMEGA FCU	$0	$138,183	$5,427,096	$138,183	$5,427,096	
809870	PEOPLES NATIONAL BANK	$0	$134,626	$5,204,439	$134,626	$5,204,439	
834121	PACE UNIVERSITY	$0	$132,801	$20,486	$132,801	$20,486	
834074	UNIVERSITY OF LAVERNE	$0	$132,766	$132,766	$0		
828562	MUNICIPAL TRUST & SAVINGS BANK	$0	$132,578	$7,874,273	$132,578	$7,874,273	
804959	CLS-NATIONAL CITY BANK KENTUCKY	$0	$132,321	$647,269	$132,321	$647,269	
811325	FIRST UNION NATIONAL BANK	$0	$132,226	$0	$132,226	$0	
819524	PLATTE VALLEY STATE BANK & TRUST CO	$0	$131,990	$5,306,405	$131,990	$5,306,405	
827985	STATE NATIONAL BANK	$0	$131,548	$6,337,962	$131,548	$6,337,962	
811911	FIRST NATIONAL BANK OF RIVER FALLS	$0	$130,951	$7,173,588	$130,951	$7,173,588	
823422	BOEING EMPLOYEES CREDIT UNION	$0	$130,912	$5,884,548	$130,912	$5,884,548	
833624	GEORGIA STUDENT FINANCE AUTH	$0	$130,746	$7,578,445	$130,746	$7,578,445	
806695	KEESLER FEDERAL CREDIT UNION	$0	$130,715	$5,930,296	$130,715	$5,930,296	
833371	AUSTIN BANK N A	$0	$130,007	$6,233,002	$130,007	$6,233,002	
832364	SANFORD INSTITUTION FOR SAVINGS	$0	$129,174	$5,768,242	$129,174	$5,768,242	
809507	FIRST NATIONAL BANK & TRUST CO	$0	$128,073	$6,634,779	$128,073	$6,634,779	
821087	JPMORGAN CHASE BANK NA	$0	$127,987	$5,798,539	$127,987	$5,798,539	
833892	ILLINOIS COLLEGE OF OPTOMETRY	$0	$126,620	$126,620	$0		
833361	STUDENT LOAN FUNDING US BANK ELT	$0	$125,591	$8,039,480	$125,591	$8,039,480	
834014	PARKER COLLEGE OF CHIROPRACTIC	$0	$124,698	$0	$124,698	$0	
818659	GREAT WISCONSIN CREDIT UNION	$0	$123,621	$4,622,403	$123,621	$4,622,403	
834166	LOGAN COLLEGE OF CHIROPRACTIC	$0	$122,879	$0	$122,879	$0	
813532	FIRST FEDERAL SAVINGS AND LOAN ASSO	$0	$122,281	$6,554,571	$122,281	$6,554,571	
833815	PENNSYLVANIA COLLEGE OF OPTOMETRY	$0	$122,181	$26,707	$122,181	$26,707	

834057	INDIANA WESLEYAN UNIVERSITY	$0	$121,877	$2,397,243	$121,877	$2,397,243	
828910	BELCO COMMUNITY CREDIT UNION	$0	$121,240	$4,485,550	$121,240	$4,485,550	
834136	BASTYR UNIVERSITY	$0	$119,924	$4,123,317	$119,924	$4,123,317	
802844	US BANK NA	$0	$119,870	$6,647,421	$119,870	$6,647,421	
834062	SANTA CLARA UNIVERSITY	$0	$119,187	$0	$119,187	$0	
810725	BROADWAY NATIONAL BANK	$0	$117,092	$5,934,817	$117,092	$5,934,817	
831929	WOODFOREST NATIONAL BANK	$0	$116,030	$5,142,116	$116,030	$5,142,116	
832123	UNIVERSITY CREDIT UNION	$0	$115,954	$76,691	$115,954	$76,691	
819256	FOX COMMUNITIES CREDIT UNION	$0	$115,006	$6,481,880	$115,006	$6,481,880	
831059	HSBC BANK USA	$0	$112,709	$16,888,518	$112,709	$16,888,518	
833964	LIFE CHIROPRACTIC COLLEGE WEST	$0	$111,981	$2,424,925	$111,981	$2,424,925	
817558	CAMPUS FEDERAL CREDIT UNION	$0	$111,791	$4,564	$111,791	$4,564	
805979	COMERICA BANK	$0	$111,764	$1,030,081	$111,764	$1,030,081	
832398	LIFE UNIVERSITY	$0	$111,641	$3,636,886	$111,641	$3,636,886	
832600	SB1 FEDERAL CREDIT UNION	$0	$111,578	$4,302,237	$111,578	$4,302,237	
831678	ILLINOIS INSTITUTE OF TECHNOLOGY	$0	$111,356	$111,356	$0		
828969	AMERICO CU	$0	$111,080	$3,950,869	$111,080	$3,950,869	
801953	FIRST NATIONAL BANK	$0	$110,596	$7,243,888	$110,596	$7,243,888	
831970	THREE RIVERS FEDERAL CREDIT UNION	$0	$110,449	$5,999,111	$110,449	$5,999,111	
809456	ADAMS COUNTY NATIONAL BANK	$0	$109,378	$3,761,985	$109,378	$3,761,985	
828912	USSCO JOHNSTOWN FED CREDIT UNION	$0	$108,991	$4,609,721	$108,991	$4,609,721	
809479	LEBANON VALLEY FARMERS BANK	$0	$108,182	$4,621,473	$108,182	$4,621,473	
833956	NATIONAL-LOUIS UNIVERSITY	$0	$107,906	$0	$107,906	$0	
834178	UNION BANK ELT UNIVERSITY OF NEBRAS	$0	$107,370	$0	$107,370	$0	
806689	HANCOCK BANK	$0	$107,128	$241,077	$107,128	$241,077	
834187	UNIVERSITY OF ARIZONA	$0	$106,642	$839,827	$106,642	$839,827	
803478	CLS-NATIONAL CITY BANK	$0	$106,479	$629,447	$106,479	$629,447	
834045	MICHIGAN STATE UNIV COLLEGE OF LAW	$0	$104,970	$0	$104,970	$0	
819133	BLACK HILLS FEDERAL CREDIT UNION	$0	$103,442	$4,952,974	$103,442	$4,952,974	
833072	TOWN & COUNTRY BANK	$0	$103,109	$5,488,177	$103,109	$5,488,177	
834044	KANSAS STATE BANK ELT KSU FOUNDATIO	$0	$103,059	$7,587	$103,059	$7,587	
834095	TRUSTMARK ELT MHEAC	$65,978	$4,260,964	$37,060	$2,935,058	$103,037	$7,196,022
834028	FLORIDA STATE UNIVERSITY	$0	$102,842	$2,664	$102,842	$2,664	
818478	EL PASO AREA TEACHERS FCU	$0	$102,550	$4,836,051	$102,550	$4,836,051	
833011	WACOPSE FCU	$0	$102,181	$3,491,122	$102,181	$3,491,122	
834016	NORTHWESTERN HEALTH SCI UNIVERSITY	$0	$101,789	$4,250	$101,789	$4,250	
809817	NATIONAL PENN BANK	$0	$101,766	$5,342,790	$101,766	$5,342,790	
824573	ZIONS BANK ELT EFS FINANCE CO	($87)	$101,196	$1,894,938	$101,109	$1,894,938	
828302	SERVICE 1ST FCU	$0	$100,405	$4,292,640	$100,405	$4,292,640	
809674	IRWIN BANK & TRUST COMPANY	$0	$100,297	$4,312,965	$100,297	$4,312,965	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
805811	UNION TRUST CO—ELLSWORTH	$0	$99,381	$6,305,428	$99,381	$6,305,428	
824518	JOHNSON BANK	$0	$98,837	$3,795,255	$98,837	$3,795,255	
833252	LEGACYTEXAS BANK	$0	$97,697	$4,764,757	$97,697	$4,764,757	
834133	UNION BANK ELT MUO FOUNDATION	$0	$96,746	$1	$96,746	$1	
806723	RENASANT BANK	$0	$96,429	$13,666	$96,429	$13,666	
899996	SLMA	$0	$93,579	$6,138,361	$93,579	$6,138,361	
804657	SECURITY BANK OF KANSAS CITY	$0	$93,445	$3,865,459	$93,445	$3,865,459	
833828	DESERET FIRST CREDIT UNION	$0	$92,554	$3,969,697	$92,554	$3,969,697	
805801	SKOWHEGAN SAVINGS BANK	$0	$92,400	$3,689,723	$92,400	$3,689,723	
810819	FIRST NATIONAL BANK OF CENTRAL TX	$0	$91,919	$72,591	$91,919	$72,591	
833869	WESTERN ILLINOIS UNIVERSITY	$0	$91,907	$4,103,401	$91,907	$4,103,401	
834021	SHERMAN COLLEGE OF STRAIGHT CHIRO	$0	$91,783	$2,657,122	$91,783	$2,657,122	
829651	TEXAS TECH FEDERAL CREDIT UNION	$0	$91,110	$3,645,479	$91,110	$3,645,479	
807802	EMPOWER FEDERAL CREDIT UNION	$0	$90,891	$3,921,333	$90,891	$3,921,333	
831361	VIEWPOINT BANK	$0	$89,152	$4,225,418	$89,152	$4,225,418	
809402	PNC EDUCATION LOAN CTR	$0	$88,726	$10,701,085	$88,726	$10,701,085	
826943	ISU FEDERAL CREDIT UNION	$0	$88,034	$102,041	$88,034	$102,041	
830168	ARIZONA FCU	$0	$87,794	$3,761,607	$87,794	$3,761,607	
831403	CLS-NATIONAL CITY BANK OF OHIO	$0	$87,548	$1,348,535	$87,548	$1,348,535	
831784	INTERNATIONAL BANK OF COMMERCE	$0	$86,834	$24,830	$86,834	$24,830	
833305	BANK OF TEXAS NA	$0	$86,061	$1,731,769	$86,061	$1,731,769	
831259	US BANK NA	$0	$85,753	$3,349,168	$85,753	$3,349,168	
828972	TIMBERLAND FEDERAL CREDIT UNION	$0	$85,604	$3,305,757	$85,604	$3,305,757	
807809	CHEMUNG CANAL TRUST COMPANY	$0	$84,462	$3,664,589	$84,462	$3,664,589	
834068	DUQUESNE UNIVERSITY	$0	$84,036	$84,036	$0		
830317	STATE EMPLOYEES FCU	$0	$83,176	$3,404,933	$83,176	$3,404,933	
833560	ERIE INSURANCE EXCHANGE CU	$0	$82,879	$3,228,489	$82,879	$3,228,489	
833742	SIMMONS COLLEGE	$0	$82,334	$64,050	$82,334	$64,050	
823561	MICHIGAN STATE UNIVERSITY FCU	$0	$82,263	$4,629,884	$82,263	$4,629,884	
805803	OCEAN COMMUNITIES FCU	$0	$82,129	$3,856,196	$82,129	$3,856,196	
820685	INDIANA UNIVERSITY EMPLOYEES FCU	$0	$81,307	$5,377,208	$81,307	$5,377,208	
832139	JPMORGAN CHASE BANK ELT SLFC INC	$0	$80,855	$65,402,442	$80,855	$65,402,442	
834015	DREXEL UNIVERSITY	$0	$80,732	$1,383,985	$80,732	$1,383,985	

822897	WESTBY CO-OP CREDIT UNION	$0	$80,496	$3,273,828	$80,496	$3,273,828
827888	WINGS FINANCIAL FCU	$0	$80,320	$3,638,387	$80,320	$3,638,387
809321	APOLLO TRUST COMPANY	$0	$80,263	$4,683,684	$80,263	$4,683,684
833426	UW OSHKOSH CREDIT UNION	$0	$79,850	$3,833,559	$79,850	$3,833,559
834001	CLEVELAND CHIROPRACTIC COLLEGE	$0	$79,289	$0	$79,289	$0
834141	WESTERN STATES CHIRO COLLEGE	$0	$79,135	$0	$79,135	$0
826895	KOHLER CREDIT UNION	$0	$78,516	$4,512,589	$78,516	$4,512,589
815483	NORSTATE FEDERAL CREDIT UNION	$0	$77,695	$2,868,798	$77,695	$2,868,798
802069	TD BANKNORTH NA	$0	$76,802	$272,764	$76,802	$272,764
823619	COVANTAGE CREDIT UNION	$0	$76,548	$3,419,990	$76,548	$3,419,990
808888	NATIONAL CITY BANK OF OHIO	$0	$75,337	$1,310,391	$75,337	$1,310,391
822531	SUSQUEHANNA VALLEY FEDERAL CREDIT U	$0	$75,211	$2,417,453	$75,211	$2,417,453
834194	OHIO NORTHERN UNIVERSITY	$0	$74,947	$0	$74,947	$0
822218	TRI CITY NATIONAL BANK	$0	$74,727	$4,288,731	$74,727	$4,288,731
810864	HAPPY STATE BANK	$0	$74,063	$3,610,827	$74,063	$3,610,827
824674	NORWAY SAVINGS BANK	$0	$73,810	$641,304	$73,810	$641,304
899986	SLM ECFC	$0	$73,804	$4,283,679	$73,804	$4,283,679
834154	UNIVERSITY OF BRIDGEPORT	$0	$73,521	$0	$73,521	$0
833344	FIRST NATIONAL BK & TR/WEATHERFORD	$0	$73,483	$2,346,198	$73,483	$2,346,198
822429	SOUTHSIDE STATE BANK	$0	$73,246	$3,663,775	$73,246	$3,663,775
821995	YALE UNIVERSITY—A. GALLAGHER	$0	$72,192	$0	$72,192	$0
821446	SANDY SPRING BANK	$0	$71,887	$2,484,445	$71,887	$2,484,445
833458	SUNTRUST BANK	$0	$71,754	$0	$71,754	$0
834126	TEXAS CHIROPRACTIC COLLEGE	$0	$71,510	$90,998	$71,510	$90,998
824192	BANK OF NEW ORLEANS	$0	$71,509	$1,953,003	$71,509	$1,953,003
822551	VISIONS FEDERAL CREDIT UNION	$0	$71,502	$4,385,150	$71,502	$4,385,150
831775	ATLANTIC REGIONAL FCU	$0	$71,353	$2,832,011	$71,353	$2,832,011
826592	CTCE FEDERAL CREDIT UNION	$0	$70,912	$2,751,407	$70,912	$2,751,407
828954	MERHO FEDERAL CREDIT UNION	$0	$70,632	$2,812,286	$70,632	$2,812,286
805595	WACHOVIA BANK NA	$0	$70,333	$38,003,327	$70,333	$38,003,327
819451	US BANK NA	$0	$70,127	$2,173,142	$70,127	$2,173,142
834140	TEXAS CHRISTIAN UNIVERSITY	$0	$69,214	$0	$69,214	$0
825597	COMMERCE BANK NA	$0	$68,915	$2,724,976	$68,915	$2,724,976
824038	HUDSON VALLEY FEDERAL CREDIT UNION	$0	$68,256	$4,002,864	$68,256	$4,002,864
834005	UNIVERSITY OF MISSOURI ST. LOUIS	$0	$67,941	$14,250	$67,941	$14,250
829565	CREIGHTON FCU	$0	$67,814	$2,686,848	$67,814	$2,686,848
834078	UNIVERSITY OF CENTRAL FLORIDA	$0	$66,875	$66,875	$0	
828965	AMERICAN HERITAGE FEDERAL CREDIT UN	$0	$66,545	$3,959,131	$66,545	$3,959,131
809713	MARS NATIONAL BANK	$0	$66,469	$3,381,765	$66,469	$3,381,765
833920	NAT'L COLLEGE OF NATURPATHIC MED	$0	$66,043	$0	$66,043	$0

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833089	THE UNIVERSITY OF TULSA	$0	$65,995	$0	$65,995	$0	
833418	WOODFOREST NATIONAL BANK	$0	$65,367	$3,107,094	$65,367	$3,107,094	
808664	PARK NATIONAL BANK	$0	$64,551	$4,100,311	$64,551	$4,100,311	
828953	COMMERCE BANK	$0	$64,547	$2,578,581	$64,547	$2,578,581	
818613	CAPITAL CREDIT UNION	$0	$64,260	$3,539,858	$64,260	$3,539,858	
834160	FIFTH THIRD ELT STUDENT LOAN XPRESS	$0	$64,082	$6,949,246	$64,082	$6,949,246	
831622	SAN ANGELO NATIONAL BANK	$0	$63,981	$21,749	$63,981	$21,749	
831157	THRIVENT FINANCIAL FOR LUTHERANS	$0	$63,385	$3,682,295	$63,385	$3,682,295	
820872	ESB BANK	$0	$63,063	$3,653,689	$63,063	$3,653,689	
810173	AMERISERV FINANCIAL	$0	$62,883	$2,534,503	$62,883	$2,534,503	
833731	SOUTHWEST COLLEGE OF NATUROPATHIC	$0	$62,522	$0	$62,522	$0	
830307	WEOKIE CREDIT UNION	$0	$62,449	$3,605,180	$62,449	$3,605,180	
834091	BONY ELT COLLEGIATE FUND SVCS RI/CF	$0	$61,854	$189,623	$61,854	$189,623	
811000	FIRST FINANCIAL BANK	$0	$61,648	$23,875	$61,648	$23,875	
808118	M&T BANK EDUCATIONAL LENDING	$0	$61,595	$42,700	$61,595	$42,700	
805784	OXFORD FCU	$0	$61,487	$2,692,691	$61,487	$2,692,691	
833387	SUMMIT BANK	$0	$61,417	$286,868	$61,417	$286,868	
813571	FIVEPOINT CREDIT UNION	$0	$61,168	$2,862,236	$61,168	$2,862,236	
832467	MAINE STATE CU	$0	$61,015	$2,528,606	$61,015	$2,528,606	
828931	TRI COUNTY AREA FCU	$0	$60,191	$2,761,284	$60,191	$2,761,284	
834128	TRINITY INTERNATIONAL UNIVERSITY	$0	$60,070	$88,160	$60,070	$88,160	
805798	MAINE FAMILY CREDIT UNION	$0	$59,722	$2,038,390	$59,722	$2,038,390	
834019	CLAREMONT GRADUATE UNIVERSITY	$0	$59,691	$0	$59,691	$0	
806931	STOCKMAN BANK OF MONTANA	$0	$59,358	$15,763	$59,358	$15,763	
809998	EPHRATA NATIONAL BANK	$0	$59,269	$3,026,150	$59,269	$3,026,150	
827999	SMART FINANCIAL CREDIT UNION	$0	$59,265	$2,222,027	$59,265	$2,222,027	
810731	CITIZENS NATIONAL BANK	$0	$58,899	$2,803,873	$58,899	$2,803,873	
826855	PIONEER SAVINGS BANK	$0	$58,598	$3,382,529	$58,598	$3,382,529	
821132	GREAT SOUTHERN SAVINGS BANK	$0	$58,508	$2,939,311	$58,508	$2,939,311	
820278	PITTSBURGH FIREFIGHTERS FEDERAL CRE	$0	$58,243	$1,916,020	$58,243	$1,916,020	
805621	BAR HARBOR BANKING & TRUST COMPANY	$0	$57,899	$2,447,886	$57,899	$2,447,886	
834073	UNIVERSITY OF PHOENIX	$0	$57,785	$635,244	$57,785	$635,244	
806700	MERCHANTS & FARMERS BANK	$0	$57,572	$61,699	$57,572	$61,699	

833610	UNION BANK ELT COLLEGE BOUND LOANS	$0	$57,517	$5,669,932	$57,517	$5,669,932
833957	NATIONAL UNIV OF HEALTH SCIENCES	$0	$56,967	$288,715	$56,967	$288,715
807510	WACHOVIA EDUCATION FINANCE INC	$0	$56,361	$2,636,399	$56,361	$2,636,399
833081	US BANK ELT SLFC	$0	$56,335	$3,507,528	$56,335	$3,507,528
832723	LEE HOSPITAL CREDIT UNION	$0	$56,111	$2,157,464	$56,111	$2,157,464
828560	WEST BEND SAVINGS BANK S. A$0	$56,083	$2,868,056	$56,083	$2,868,056	
810007	FIRST NATIONAL BANK OF DANVILLE	$0	$55,707	$2,120,634	$55,707	$2,120,634
811571	JPMORGAN CHASE BANK NA	$0	$55,316	$3,232,082	$55,316	$3,232,082
829114	OTIS FCU	$0	$55,183	$2,208,921	$55,183	$2,208,921
832196	TOBYHANNA ARMY DEPOT	$0	$55,113	$1,716,079	$55,113	$1,716,079
810104	THE MERCHANTS NATIONAL BANK OF KITT	$0	$54,948	$3,045,108	$54,948	$3,045,108
831222	PENN EAST FCU	$0	$54,931	$1,774,612	$54,931	$1,774,612
833294	BANK OF GLOUCESTER CO /FULTON BNK	$0	$54,647	$1,949,693	$54,647	$1,949,693
825446	UNISON CREDIT UNION	$0	$54,521	$2,157,741	$54,521	$2,157,741
833804	KEY BANK NA	$0	$54,388	$1,141,078	$54,388	$1,141,078
800241	JPMORGAN CHASE BANK NA	$0	$54,383	$5,062,741	$54,383	$5,062,741
832053	AMERICAN SAVINGS BANK FSB	$0	$54,244	$119,753	$54,244	$119,753
833928	NAROPA UNIVERSITY	$0	$54,136	$54,136	$0	
831606	FIRST CONVENIENCE BANK	$0	$53,484	$2,509,246	$53,484	$2,509,246
812041	WAUKESHA STATE BANK	$0	$53,208	$2,690,906	$53,208	$2,690,906
830146	USU CHARTER FCU	$0	$53,159	$2,488,620	$53,159	$2,488,620
828937	G A P FCU	$0	$53,143	$2,035,515	$53,143	$2,035,515
831179	WELLS FARGO EDUCATION FIN SVCS	$0	$52,939	$1,788,257	$52,939	$1,788,257
833247	EDUCATIONFIRST FEDERAL CREDIT UNION	$0	$52,530	$2,625,653	$52,530	$2,625,653
833868	SECU EMPLOYEES CU	$0	$52,208	$2,322,851	$52,208	$2,322,851
831908	CITY & COUNTY CREDIT UNION	$0	$51,905	$2,329,114	$51,905	$2,329,114
833634	BANK OF ALBUQUERQUE NA	$0	$51,842	$2,096,116	$51,842	$2,096,116
818493	CONNEXUS CU	$0	$51,709	$2,203,484	$51,709	$2,203,484
821215	PEOPLES BANK OF KANKAKEE COUNTY	$0	$51,661	$501,371	$51,661	$501,371
813414	SCOTTDALE BANK & TRUST CO	$0	$51,408	$2,649,598	$51,408	$2,649,598
819770	FIRST FINANCIAL BANK USA	$0	$51,228	$3,254,670	$51,228	$3,254,670
820284	SOVEREIGN BANK	$0	$50,868	$2,269,072	$50,868	$2,269,072
805800	SEABOARD FEDERAL CREDIT UNION	$0	$50,290	$2,123,694	$50,290	$2,123,694
832678	WASHINGTON AREA TEACHERS FCU	$0	$50,157	$1,814,810	$50,157	$1,814,810
821549	SCHUYLKILL COUNTY SCHOOLEMPLOYEES C	$0	$50,020	$2,121,195	$50,020	$2,121,195
827171	ANDROSCOGGIN SAVINGS BANK	$0	$49,806	$32,191	$49,806	$32,191
833674	PALMER COLLEGE OF CHIROPRACTIC WEST	$0	$49,561	$2,646,080	$49,561	$2,646,080
831476	BLACKHAWK CREDIT UNION	$0	$48,621	$2,852,743	$48,621	$2,852,743
827767	YORK COUNTY FCU	$0	$48,597	$2,033,468	$48,597	$2,033,468
834114	CARDINAL STRITCH UNIVERSITY	$0	$48,537	$1,176,005	$48,537	$1,176,005

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
832163	CORNERSTONE COMMUNITY FCU	$0	$48,409	$2,033,974	$48,409	$2,033,974	
829929	IDEPENDENT ORDER OF FORESTERS	$0	$48,318	$2,648,163	$48,318	$2,648,163	
833099	WASHINGTON COMMUNITY FCU	$0	$48,165	$1,839,097	$48,165	$1,839,097	
831258	CITIZENSFIRST CREDIT UNION	$0	$47,288	$2,244,322	$47,288	$2,244,322	
831171	CO-OP CREDIT UNION	$0	$47,288	$1,706,340	$47,288	$1,706,340	
828917	HERITAGE VALLEY F C U	$0	$47,019	$1,911,775	$47,019	$1,911,775	
810643	FIRST HORIZON BANK	$0	$46,844	$18,685	$46,844	$18,685	
832955	KEYSTONE FCU	$0	$46,634	$1,744,756	$46,634	$1,744,756	
803348	CLS-NATIONAL CITY BANK INDIANA	$0	$45,052	$45,933	$45,052	$45,933	
832742	TRI BORO FCU	$0	$44,698	$1,749,203	$44,698	$1,749,203	
813285	UNION BK CA ELT CHELA FUND I (TEFFC)	$34,706	$9,793	$7,462	$44,499	$7,462	
824264	COMMONWEALTH ONE FEDERAL CREDIT UNI	$0	$44,494	$1,727,685	$44,494	$1,727,685	
803674	CLS-NATIONAL CITY BANK INDIANA	$0	$44,426	$764,884	$44,426	$764,884	
828898	JSTC EMPLOYEES FCU	$0	$44,417	$1,728,204	$44,417	$1,728,204	
809659	HONESDALE NATIONAL BANK	$0	$44,411	$2,524,595	$44,411	$2,524,595	
817440	FAMILY FIRST FEDERAL CREDIT UNION	$0	$44,170	$1,976,595	$44,170	$1,976,595	
805727	KATAHDIN FEDERAL CREDIT UNION	$0	$43,975	$1,844,927	$43,975	$1,844,927	
828853	UNITEDONE CU	$0	$43,852	$1,865,285	$43,852	$1,865,285	
805126	JEFF DAVIS BANK & TRUST COMPANY	$0	$43,839	$1,925,460	$43,839	$1,925,460	
810997	LAREDO NATIONAL BANK	$0	$43,815	$2,298,370	$43,815	$2,298,370	
823400	ARVEST BANK	$0	$43,306	$0	$43,306	$0	
833821	UNION BANK & TRUST ELT HRB	$0	$42,758	$0	$42,758	$0	
823181	OKLAHOMA CITY UNIVERSITY	$0	$42,100	$42,100	$0		
833643	TEXAS BANK	$0	$41,769	$1,977,498	$41,769	$1,977,498	
826104	OZAUKEE BANK	$0	$41,738	$2,339,851	$41,738	$2,339,851	
826294	BATH SAVINGS INSTITUTION	$0	$41,663	$2,374,384	$41,663	$2,374,384	
832611	N F G #2 FCU	$0	$41,358	$1,619,107	$41,358	$1,619,107	
810981	FARMERS STATE BANK	$0	$41,251	$1,729,478	$41,251	$1,729,478	
833012	HORIZON FEDERAL CREDIT UNION	$0	$41,052	$1,623,118	$41,052	$1,623,118	
826584	CENTRAL CITY CREDIT UNION	$0	$41,026	$2,488,657	$41,026	$2,488,657	
833682	CLARION ONIZED FEDERAL CREDIT UNION	$0	$40,545	$1,748,065	$40,545	$1,748,065	
833417	POLONIA BANK	$0	$40,260	$2,077,592	$40,260	$2,077,592	
833882	CITIZENS BANK C/O EDUCATION FINANCE	$0	$40,133	$2,365,054	$40,133	$2,365,054	

832615	LEHIGH VALLEY EDUCATORS CU	$0	$39,983	$2,380,874	$39,983	$2,380,874
833840	EDUCATION CREDIT UNION	$0	$39,828	$2,083,470	$39,828	$2,083,470
829340	MEMBERS CREDIT UNION	$0	$39,665	$2,015,959	$39,665	$2,015,959
814142	MIDCOAST FEDERAL CREDIT UNION	$0	$39,475	$1,446,081	$39,475	$1,446,081
832743	P & G MEHOOPANY EMPLOYEES FCU	$0	$39,399	$1,463,175	$39,399	$1,463,175
832203	PARK VIEW FEDERAL CREDIT UNION	$0	$39,146	$1,838,316	$39,146	$1,838,316
826191	FIRST NEW YORK FCU	$0	$39,096	$1,524,536	$39,096	$1,524,536
827165	MATANUSKA VALLEY FEDERAL CREDIT UNI	$0	$39,085	$2,213,234	$39,085	$2,213,234
834137	US BANK ELT MEDINVEST LLC	$0	$39,020	$0	$39,020	$0
830544	MAINE HIGHLANDS FCU	$0	$38,883	$1,509,558	$38,883	$1,509,558
829246	SHORELINE CREDIT UNION	$0	$38,477	$1,698,445	$38,477	$1,698,445
828564	MIDWEST AMERICA FEDERAL CREDIT UNI	$0	$38,288	$0	$38,288	$0
828099	GLACIER HILLS CREDIT UNION	$0	$37,998	$1,684,608	$37,998	$1,684,608
828535	STATE NATIONAL BANK	$0	$37,921	$1,860,294	$37,921	$1,860,294
833652	FIRST NATIONAL BANK WICHITA FALLS	$0	$37,674	$2,281,567	$37,674	$2,281,567
810012	COMMUNITY BANKS NA	$0	$37,633	$2,390,695	$37,633	$2,390,695
805734	ANDROSCOGGIN SVGS BANK	$0	$37,630	$16,496	$37,630	$16,496
823864	HCSB	$0	$37,588	$1,881,838	$37,588	$1,881,838
817545	GRANITE CREDIT UNION	$0	$37,487	$1,545,184	$37,487	$1,545,184
807002	FIRST SECURITY BANK OF BOZEMAN	$0	$37,191	$1,445,686	$37,191	$1,445,686
831488	FIRST TEXOMA NAT'L BANK	$0	$37,014	$1,425,482	$37,014	$1,425,482
823936	HARVARD UNIVERSITY	$0	$36,952	$3,564,694	$36,952	$3,564,694
833540	FIRSTBANK	$0	$36,928	$1,793,620	$36,928	$1,793,620
834151	FOREST INST OF PROF PSYCHOLOGY	$0	$36,532	$0	$36,532	$0
819539	FIRST FINANCIAL BANK	$0	$36,444	$29,933	$36,444	$29,933
822908	US BANK NA	$0	$36,300	$2,182,583	$36,300	$2,182,583
834206	PACIFIC GRADUATE SCHOOL OF PSYCHOLO	$0	$35,993	$117,049	$35,993	$117,049
813381	RIVERFRONT FCU	$0	$35,788	$2,002,062	$35,788	$2,002,062
831576	LANDMARK BANK NA	$0	$35,757	$1,606,322	$35,757	$1,606,322
812880	MERCER COUNTY STATE BANK	$0	$35,741	$2,021,941	$35,741	$2,021,941
828303	M-C FEDERAL CREDIT UNION	$0	$35,728	$1,741,233	$35,728	$1,741,233
810721	FIRSTBANK SOUTHWEST	$0	$35,597	$1,828,345	$35,597	$1,828,345
828478	ASSOCIATED BANK NA	$0	$35,572	$2,224,382	$35,572	$2,224,382
810895	HERRING BANK	$0	$35,421	$16,250	$35,421	$16,250
827597	COMMUNITY CREDIT UNION	$0	$35,320	$1,653,842	$35,320	$1,653,842
821806	WASHINGTON STATE EMPLOYEES CU	$0	$35,045	$1,840,699	$35,045	$1,840,699
823730	FREED-HARDEMAN UNIVERSITY	$0	$34,988	$34,988	$0	
807779	GHS FEDERAL CREDIT UNION	$0	$34,916	$1,434,962	$34,916	$1,434,962
834100	ZIONS FNB ELT NELNET ACADEMIC SVCS	$0	$34,706	$123,341	$34,706	$123,341
888887	SLM ECFC	$0	$34,630	$2,605,673	$34,630	$2,605,673

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
812095	PARAGON FEDERAL CREDIT UNION	$0	$34,471	$2,539,160	$34,471	$2,539,160	
830791	JORDAN CREDIT UNION	$0	$34,453	$1,496,461	$34,453	$1,496,461	
806757	BANK OF KIRKSVILLE	$0	$34,345	$860,909	$34,345	$860,909	
800305	REGIONS BANK	$0	$33,989	$235,034	$33,989	$235,034	
814096	ACHIEVA CREDIT UNION	$0	$33,977	$1,838	$33,977	$1,838	
826947	NATIONAL CITY BANK MI-IL	$0	$33,865	$1,965,898	$33,865	$1,965,898	
819514	FIRST UNITED BANK & TRUST CO	$0	$33,746	$1,481,200	$33,746	$1,481,200	
813373	PP&L G O L D CREDIT UNION	$0	$33,664	$1,161,214	$33,664	$1,161,214	
832883	K OF C FEDERAL CREDIT UNION	$0	$33,439	$1,317,788	$33,439	$1,317,788	
811959	NATIONAL EXCHANGE BANK & TRUST	$0	$33,413	$1,640,696	$33,413	$1,640,696	
831413	PARKER COMMUNITY CREDIT UNION	$0	$33,288	$1,561,599	$33,288	$1,561,599	
822239	COMPASS BANK	$0	$33,204	$2,316,384	$33,204	$2,316,384	
833309	ARMSTRONG BANK	$0	$33,188	$0	$33,188	$0	
815727	FIRST PREMIER BANK	$0	$33,012	$1,529,118	$33,012	$1,529,118	
828949	CBW SCHOOLS FEDERAL CREDIT UNION	$0	$33,006	$1,401,793	$33,006	$1,401,793	
828718	ALLIANCE BANK	$0	$32,835	$1,721,547	$32,835	$1,721,547	
829158	WEBER STATE FEDERAL CREDIT UNION	$0	$32,716	$14,125	$32,716	$14,125	
832729	BUTLER ARMCO EMPLOYEES C U	$0	$32,679	$1,744,097	$32,679	$1,744,097	
820174	DUPONT COMMUNITY CU	$0	$32,653	$1,895,232	$32,653	$1,895,232	
824905	UNIVERSAL 1 CREDIT UNION INC	$0	$32,628	$1,500,009	$32,628	$1,500,009	
833938	FIFTH THIRD ELT EDUCATION FUNDING C	$0	$32,504	$32,504	$0		
827656	LANDMARK CREDIT UNION	$0	$32,263	$1,984,079	$32,263	$1,984,079	
833051	GREAT VALLEY SVNGS BNK % FULTON BNK	$0	$31,980	$1,158,496	$31,980	$1,158,496	
808426	FREMONT NATIONAL BANK & TRUST CO	$0	$31,927	$2,632	$31,927	$2,632	
834047	UNIVERSITY OF NORTHERN COLORADO	$0	$31,705	$31,705	$0		
804339	BALDWIN STATE BANK	$0	$31,625	$31,625	$0		
832943	FRANKLIN JOHNSTOWN FCU	$0	$31,581	$1,406,264	$31,581	$1,406,264	
812886	MUNCY BANK AND TRUST COMPANY	$0	$31,564	$1,967,673	$31,564	$1,967,673	
832286	ACMG FEDERAL CREDIT UNION	$0	$31,550	$1,063,183	$31,550	$1,063,183	
833953	UNION BANK ELT CHELA EDUCATIONAL FU	$0	$31,533	$3,681,110	$31,533	$3,681,110	
823021	PENN STATE FEDERAL CREDIT UNION	$0	$31,510	$1,139,364	$31,510	$1,139,364	
826492	CCSD FEDERAL CREDIT UNION	$0	$31,240	$1,948,948	$31,240	$1,948,948	
818590	JPMORGAN CHASE BANK NA	$0	$31,175	$2,539,066	$31,175	$2,539,066	

834212	CALIFORNIA BAPTIST UNIVERSITY	$0	$31,129	$31,129	$0		
831703	CO-OP CREDIT UNION OF MONTEVIDEO	$0	$31,058	$1,231,771	$31,058	$1,231,771	
831923	POINTBANK	$0	$30,975	$1,530,261	$30,975	$1,530,261	
820200	TOOELE FEDERAL CREDIT UNION	$0	$30,860	$1,599,187	$30,860	$1,599,187	
827610	STANFORD UNIVERSITY	$0	$30,787	$30,787	$0		
823508	ST MARY'S UNIVERSITY	$0	$30,663	$8,158	$30,663	$8,158	
826185	NEW CUMBERLAND FEDERAL CREDIT UNION	$0	$30,630	$1,184,811	$30,630	$1,184,811	
828911	PALCO FEDERAL CREDIT UNION	$0	$30,626	$1,362,075	$30,626	$1,362,075	
818596	METABANK	$0	$30,601	$1,483,266	$30,601	$1,483,266	
829414	HARBOR CREDIT UNION	$0	$30,528	$1,337,742	$30,528	$1,337,742	
833489	ERIE GENERAL ELECTRIC EMP FCU	$0	$30,197	$1,813,558	$30,197	$1,813,558	
832086	GENESEE CO-OP FEDERAL CREDIT UNION	$0	$30,020	$1,136,430	$30,020	$1,136,430	
832887	MARSHFIELD MEDICAL CENTER CREDIT UN	$0	$30,005	$1,165,850	$30,005	$1,165,850	
832201	GREAT RIVER FEDERAL CREDIT UNION	$0	$29,966	$1,800,187	$29,966	$1,800,187	
820393	TIER ONE BANK	$0	$29,934	$24,063	$29,934	$24,063	
810458	FIRST BANK & TRUST	$0	$29,911	$0	$29,911	$0	
828582	CROSS VALLEY FCU	$0	$29,862	$1,724,511	$29,862	$1,724,511	
824856	MID-KANSAS CREDIT UNION	$0	$29,641	$949,172	$29,641	$949,172	
834192	DEUTSCHE BANK ELT STUDENT CAP CORP	$0	$29,465	$3,018,525	$29,465	$3,018,525	
826986	VANTAGE CU	$0	$29,253	$1,114,244	$29,253	$1,114,244	
812773	MOBILOIL FCU	$0	$29,076	$1,499,754	$29,076	$1,499,754	
828785	CREDIT UNION OF DENVER	$0	$28,952	$1,392,911	$28,952	$1,392,911	
816027	PARKVALE SAVINGS ASSN	$0	$28,798	$9,832	$28,798	$9,832	
805069	JPMORGAN CHASE BANK NA	$0	$28,794	$0	$28,794	$0	
806658	CLEVELAND STATE BANK	$0	$28,725	$120,645	$28,725	$120,645	
831156	ADVANTAGE CREDIT UNION	$0	$28,687	$1,395,023	$28,687	$1,395,023	
832948	PARKVIEW COMMUNITY FCU	$0	$28,650	$1,080,548	$28,650	$1,080,548	
810617	FIRST FARMERS & MERCHANTS NA	$0	$28,596	$1,174,334	$28,596	$1,174,334	
820280	BENCHMARK FEDERAL CU	$0	$28,582	$1,296,006	$28,582	$1,296,006	
828936	FREEDOM UNITED FCU	$0	$28,544	$1,004,820	$28,544	$1,004,820	
809110	CORNERSTONE BANK	$0	$28,365	$1,316,719	$28,365	$1,316,719	
828496	KENNEBEC SAVINGS BANK	$0	$28,140	$1,413,423	$28,140	$1,413,423	
812555	WELLS FARGO EDUCATION FIN SVCS	$0	$28,042	$799,412	$28,042	$799,412	
830336	MN VALLEY FEDERAL CREDIT UNION	$0	$27,940	$1,089,340	$27,940	$1,089,340	
827116	SLF OF IDAHO MARKETING ASSN INC	$20,190	$0	$7,671	$1,944,643	$27,861	$1,944,643
811717	US BANK NA	$0	$27,639	$719,148	$27,639	$719,148	
808316	HERITAGE BANK	$0	$27,621	$1,162,163	$27,621	$1,162,163	
834035	CITY BANK	$0	$27,505	$51,533	$27,505	$51,533	
834198	CHICAGO SCHOOL OF PROF PSYCHOLOGY	$0	$27,299	$8,645	$27,299	$8,645	
803463	JPMORGAN CHASE BANK NA	$0	$27,066	$151,671	$27,066	$151,671	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
820808	CENTRIS FEDERAL CREDIT UNION	$0	$27,057	$1,656,273	$27,057	$1,656,273	
808260	FIRST NATIONAL BANK & TRUST COMPANY	$0	$26,795	$1,040,804	$26,795	$1,040,804	
833262	NAVIGATOR CREDIT UNION	$0	$26,757	$1,421,227	$26,757	$1,421,227	
825116	BELLCO FEDERAL CREDIT UNION	$0	$26,744	$1,058,589	$26,744	$1,058,589	
833501	WELLS FARGO BNK ELT NHELP I INC	$0	$26,734	$2,128,832	$26,734	$2,128,832	
832499	WINSLOW COMMUNITY FCU	$0	$26,658	$1,085,735	$26,658	$1,085,735	
804866	BANK MIDWEST N A	$0	$26,643	$804,689	$26,643	$804,689	
820181	BEST ADVANTAGE CREDIT UNION	$0	$26,444	$1,246,652	$26,444	$1,246,652	
834088	US BANK ELT BOSQUE HEA INC	$0	$26,260	$3,237,662	$26,260	$3,237,662	
830538	DANE COUNTY CREDIT UNION	$0	$25,873	$850,372	$25,873	$850,372	
823129	LISTERHILL CREDIT UNION	$0	$25,846	$1,790,801	$25,846	$1,790,801	
828025	AMERICAN FEDERAL SAVINGS BANK	$0	$25,827	$937,917	$25,827	$937,917	
832817	HOPEWELL JOINT SCHOOL EMP FCU	$0	$25,826	$744,724	$25,826	$744,724	
807197	FIRST INTERNATIONAL BANK	$0	$25,748	$1,264,243	$25,748	$1,264,243	
828997	ROCKY MOUNTAIN CREDIT UNION	$0	$25,699	$1,039,848	$25,699	$1,039,848	
806651	THE CITIZENS BANK OF PHILADELPHIA	$0	$25,649	$5,375	$25,649	$5,375	
822475	PEOPLES STATE BANK	$0	$25,393	$0	$25,393	$0	
830922	SHEBOYGAN AREA CREDIT UNION	$0	$25,386	$991,714	$25,386	$991,714	
809342	CB GROVE CITY FCU	$0	$25,189	$923,953	$25,189	$923,953	
807744	ADIRONDACK TRUST COMPANY	$0	$25,118	$905,001	$25,118	$905,001	
829676	SERVU FCU	$0	$25,070	$1,514,840	$25,070	$1,514,840	
831520	GARDINER FCU	$0	$25,006	$909,794	$25,006	$909,794	
833302	BANK OF THE WEST	$0	$24,955	$902,654	$24,955	$902,654	
821013	FORT HOOD NATIONAL BANK	$0	$24,925	$1,557,917	$24,925	$1,557,917	
808972	ALVA STATE BANK & TRUST CO	$0	$24,865	$900,057	$24,865	$900,057	
828545	HOME FEDERAL SAVINGS AND LOAN ASSOC	$0	$24,750	$55,248	$24,750	$55,248	
833276	FRIONA STATE BANK	$0	$24,656	$1,095,599	$24,656	$1,095,599	
828877	BERKS COMMUNITY FCU	$0	$24,653	$1,157,587	$24,653	$1,157,587	
829088	N.E.W. CREDIT UNION	$0	$24,443	$1,042,301	$24,443	$1,042,301	
821449	HAGERSTOWN TRUST COMPANY	$0	$24,282	$852,776	$24,282	$852,776	
832724	PITTSBURGH CENTRAL FCU	$0	$24,257	$752,918	$24,257	$752,918	
828090	FIRST NAT'L BANK OF PALMERTON	$0	$24,246	$1,351,974	$24,246	$1,351,974	
832241	SALT LAKE CITY CU	$0	$24,134	$1,275,179	$24,134	$1,275,179	

823065	CREIGHTON UNIVERSITY	$0	$23,924	$13,500	$23,924	$13,500
826319	BVA FEDERAL CREDIT UNION	$0	$23,900	$1,067,506	$23,900	$1,067,506
832262	NEWPORT NEWS SHIPBUILDING ECU	$0	$23,779	$1,258,057	$23,779	$1,258,057
829174	CALIFORNIA BANK & TRUST C/O ZIONS B	$0	$23,756	$247,329	$23,756	$247,329
824983	CINFED EMPLOYEES FEDERAL CREDIT UNI	$0	$23,694	$1,511,175	$23,694	$1,511,175
834161	PHILIPS GRADUATE INSTITUTE	$0	$23,666	$23,666	$0	
821973	FIVE COUNTY CREDIT UNION	$0	$23,591	$975,508	$23,591	$975,508
833189	BANK OF ARKANSAS NA	$0	$23,482	$1,005,453	$23,482	$1,005,453
832722	JESSOP EMPLOYEES FCU	$0	$23,297	$725,246	$23,297	$725,246
832916	UFCW FCU	$0	$23,177	$23,177	$0	
819105	CITIZENS BANK OF MUKWONAGO	$0	$23,138	$1,433,818	$23,138	$1,433,818
806952	FARMERS STATE BANK	$0	$22,923	$959,175	$22,923	$959,175
830332	RIVERWOOD MARITIME CU	$0	$22,919	$1,057,356	$22,919	$1,057,356
809087	CITIZENS SECURITY BANK & TRUST CO	$0	$22,916	$926,609	$22,916	$926,609
830100	UNITED EDUCATORS CREDIT UNION	$0	$22,801	$819,252	$22,801	$819,252
803538	JPMORGAN CHASE BANK NA	$0	$22,553	$18,500	$22,553	$18,500
818505	BANK OF PRAIRIE DU SAC	$0	$22,473	$1,211,064	$22,473	$1,211,064
807838	BANK OF NEW YORK	$0	$22,286	$0	$22,286	$0
834190	LOYOLA UNIVERSITY	$0	$22,212	$22,212	$0	
819253	SUPERIOR CHOICE CREDIT UNION	$0	$22,141	$1,052,959	$22,141	$1,052,959
830510	FIRST ALLIANCE CREDIT UNION	$0	$21,958	$762,093	$21,958	$762,093
809547	FIRST NATL BK PORT ALLEGANY	$0	$21,918	$1,366,808	$21,918	$1,366,808
827096	FIRST NATIONAL COMMUNITY BANK	$0	$21,882	$1,064,162	$21,882	$1,064,162
828338	FORT COMMUNITY CREDIT UNION	$0	$21,879	$990,372	$21,879	$990,372
816228	ROBINS FEDERAL CREDIT UNION	$0	$21,777	$1,096,680	$21,777	$1,096,680
822366	PINNACLE BANK OF PAPILLION	$0	$21,698	$3,338	$21,698	$3,338
831394	OAKDALE CREDIT UNION	$0	$21,515	$937,522	$21,515	$937,522
821497	AMERICAN PRIDE CREDIT UNION	$0	$21,410	$978,611	$21,410	$978,611
828082	WESTERN COOPERATIVE CREDIT UNION	$0	$21,390	$1,162,753	$21,390	$1,162,753
813853	FIRST NATIONAL BANK OF HUDSON	$0	$21,386	$1,221,471	$21,386	$1,221,471
833058	MEADVILLE AREA FCU	$0	$21,341	$1,023,437	$21,341	$1,023,437
831269	JP MORGAN CHASE BANK	$0	$21,300	$33,041	$21,300	$33,041
827751	BADGER GLOBE CREDIT UNION	$0	$21,117	$855,334	$21,117	$855,334
806959	ROCKY MOUNTAIN BANK	$0	$21,111	$1,017,047	$21,111	$1,017,047
832823	FRICK TRI COUNTY FCU	$0	$21,070	$735,849	$21,070	$735,849
830935	ACADIA FCU	$0	$21,048	$1,232,773	$21,048	$1,232,773
832202	CITIZENS COMMUNITY CU	$0	$20,969	$971,029	$20,969	$971,029
831870	CITIZENS BANK OF EDMOND	$0	$20,953	$1,844	$20,953	$1,844
828956	WEST PENN PNP FCU	$0	$20,904	$855,561	$20,904	$855,561
832124	ASSOCIATED SCHOOL EMPLOYEES CREDIT	$0	$20,784	$814,387	$20,784	$814,387

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
827145	MID AMERICA BANK FSB	$0	$20,752	$86,247	$20,752	$86,247	
833646	FIRST FINANCIAL OF S ARKANSAS	$0	$20,722	$816,951	$20,722	$816,951	
828463	MARQUETTE SAVINGS ASSOCIATION	$0	$20,695	$1,157,800	$20,695	$1,157,800	
832675	ERIE TIMES EMPLOYEES FCU	$0	$20,504	$636,022	$20,504	$636,022	
832540	TRUMARK FINANCIAL CU	$0	$20,493	$1,273,821	$20,493	$1,273,821	
828227	CONCHO EDUCATORS FEDERAL CREDIT UN	$0	$20,463	$898,061	$20,463	$898,061	
820680	RANDOLPH-BROOKS FEDERAL CREDIT UNIO	$0	$20,422	$0	$20,422	$0	
827567	FIRST STATE BANK KEENE INC	$0	$20,412	$738,267	$20,412	$738,267	
828855	EVERGREEN CREDIT UNION	$0	$20,349	$844,821	$20,349	$844,821	
834134	US BANK ELT XAVIER UNIVERSITY	$0	$20,347	$0	$20,347	$0	
809420	COUNTY NATIONAL BANK	$0	$20,287	$108,291	$20,287	$108,291	
825602	RIPCO CREDIT UNION	$0	$20,239	$902,369	$20,239	$902,369	
821921	NORWIN TEACHERS FEDERAL CREDIT UN	$0	$20,237	$807,699	$20,237	$807,699	
832617	CLARION UNIVERSITY FCU	$0	$20,214	$819,905	$20,214	$819,905	
817895	MONTANA FEDERAL CREDIT UNION	$0	$20,103	$686,971	$20,103	$686,971	
805725	CPORT CU	$0	$19,973	$1,265,728	$19,973	$1,265,728	
821362	TEXAS DOW EMPLOYEES CREDIT UNION	$0	$19,902	$587,437	$19,902	$587,437	
833359	BCM FEDERAL CREDIT UNION	$0	$19,883	$714,057	$19,883	$714,057	
805815	WINTHROP AREA FCU	$0	$19,680	$703,486	$19,680	$703,486	
807857	ESL FEDERAL CREDIT UNION	$0	$19,661	$1,637,311	$19,661	$1,637,311	
833093	BANK OF NY ELT COLLEGEINVEST	$0	$19,412	$1,531,443	$19,412	$1,531,443	
827967	CHARTWAY FEDERAL C U	$0	$19,117	$1,183,428	$19,117	$1,183,428	
810532	SIOUX FALLS FEDERAL CREDIT UNION	$0	$19,091	$903,135	$19,091	$903,135	
809322	AUTO WORKERS FEDERAL CREDIT UNION	$0	$19,079	$1,160,446	$19,079	$1,160,446	
815901	EVANSVILLE TEACHERS FCU	$0	$19,054	$688,337	$19,054	$688,337	
804575	COMMERCIAL FEDERAL BANK	$0	$19,050	$19,050	$0		
831946	CAPITAL ONE NA	$0	$19,045	$1,286,152	$19,045	$1,286,152	
815994	MEMBERS ALLIANCE CREDIT UNION	$0	$18,946	$754,334	$18,946	$754,334	
833077	TCF NATIONAL BANK	$0	$18,889	$24,100	$18,889	$24,100	
831484	UNION BANK & TRUST—IHELP	$0	$18,853	$1,019,432	$18,853	$1,019,432	
831552	KEY BANK NA	$0	$18,853	$3,986,596	$18,853	$3,986,596	
829260	FIRST SOURCE FCU	$0	$18,821	$894,772	$18,821	$894,772	
814671	STATEWIDE FEDERAL CREDIT UNION	$0	$18,784	$726,684	$18,784	$726,684	

808170	SIDNEY FEDERAL CREDIT UNION	$0	$18,767	$968,815	$18,767	$968,815
823417	CINCO FAMILY FCU	$0	$18,654	$881,510	$18,654	$881,510
833324	WEST TEXAS NATIONAL BANK	$0	$18,564	$918,454	$18,564	$918,454
833258	AMERICAN NATIONAL BANK	$0	$18,555	$988,659	$18,555	$988,659
830772	STANFORD FCU	$0	$18,389	$72,612	$18,389	$72,612
833034	FIRST FINANCIAL COMMUNITY CU	$0	$18,360	$937,801	$18,360	$937,801
833084	METRO CREDIT UNION	$0	$18,333	$698,237	$18,333	$698,237
811881	FARMERS & MERCHANTS BANK OF TOMAH	$0	$18,323	$1,036,415	$18,323	$1,036,415
819191	RAINBOW FCU	$0	$18,315	$1,102,250	$18,315	$1,102,250
813421	NEXTIER BANK	$0	$18,179	$14,450	$18,179	$14,450
815951	MILLS COUNTY STATE BANK	$0	$18,082	$879,136	$18,082	$879,136
812155	FIRST BETHANY BANK	$0	$18,061	$392,962	$18,061	$392,962
832486	ENTRUST FEDERAL CREDIT UNION	$0	$18,057	$750,519	$18,057	$750,519
831722	TOWN NORTH NATIONAL BANK	$0	$18,001	$727,977	$18,001	$727,977
811613	KITSAP BANK	$0	$17,995	$1,078,980	$17,995	$1,078,980
828715	LA-TEC CREDIT UNION	$0	$17,975	$1,164,399	$17,975	$1,164,399
830267	MIDWEST COMMUNITY FCU	$0	$17,961	$838,989	$17,961	$838,989
808995	FARMERS & MERCHANTS BANK & TRUST CO	$0	$17,889	$755,848	$17,889	$755,848
819967	SEAWAY NATIONAL BANK	$0	$17,772	$1,041,034	$17,772	$1,041,034
823116	KEARNEY FEDERAL CREDIT UNION	$0	$17,657	$970,447	$17,657	$970,447
808028	ASTORIA FEDERAL SAVINGS	$0	$17,500	$14,306	$17,500	$14,306
832101	CHOICE 1 FEDERAL CREDIT UNION	$0	$17,499	$961,794	$17,499	$961,794
832992	IBEW LOCAL UNION 712 FCU	$0	$17,486	$676,716	$17,486	$676,716
830130	BEAR PAW CREDIT UNION	$0	$17,404	$850,677	$17,404	$850,677
809025	FIRST NATIONAL BANK & TRUST CO OF M	$0	$17,226	$793,039	$17,226	$793,039
830809	CAPITAL CREDIT UNION	$0	$17,206	$915,819	$17,206	$915,819
830957	TAYLOR CREDIT UNION	$0	$17,183	$692,349	$17,183	$692,349
833562	PRICE CREDIT UNION	$0	$17,110	$645,842	$17,110	$645,842
818690	BLAIR COUNTY FEDERAL CREDIT UNION	$0	$17,106	$1,043,520	$17,106	$1,043,520
833596	MARATHON COUNTY EMP CU	$0	$16,984	$533,418	$16,984	$533,418
832318	DAKOTA WEST CREDIT UNION	$0	$16,949	$763,396	$16,949	$763,396
833316	LUTHERAN CREDIT UNION OF AMERICA	$0	$16,936	$495,256	$16,936	$495,256
827908	NORTHWEST FEDERAL CREDIT UNION	$0	$16,855	$912,357	$16,855	$912,357
832415	FREMONT FEDERAL CREDIT UNION	$0	$16,853	$1,058,024	$16,853	$1,058,024
826423	NORTHSTAR BANK OF TEXAS	$0	$16,834	$882,340	$16,834	$882,340
833114	WINNEBAGO COMMUNITY CU	$0	$16,812	$670,282	$16,812	$670,282
809097	FIRST NATIONAL BANK	$0	$16,754	$0	$16,754	$0
833273	DELAWARE NATIONAL BANK/FULTON BANK	$0	$16,746	$615,109	$16,746	$615,109
833318	FORT DAVIS STATE BANK	$0	$16,733	$874,972	$16,733	$874,972
805090	CAPITAL ONE NA	$0	$16,725	$0	$16,725	$0

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
808732	JPMORGAN CHASE BANK NA	$0	$16,722	$1,345,272	$16,722	$1,345,272	
807306	UNION STATE BANK	$0	$16,662	$855,245	$16,662	$855,245	
833602	WHEATLAND FEDERAL CREDIT UNION	$0	$16,581	$543,354	$16,581	$543,354	
832746	YOUR CHOICE FCU	$0	$16,571	$762,040	$16,571	$762,040	
820593	FIRST NATIONAL BANK OF BROWNFIELD	$0	$16,564	$1,106,875	$16,564	$1,106,875	
832861	BUFFALO POSTAL COMMUNITY FCU	$0	$16,546	$710,308	$16,546	$710,308	
828200	M H E S A C	$4,992	$522,781	$11,541	$0	$16,533	$522,781
829064	SOUTHWEST STUDENT SERV TRUST WFB EL	$16,503	$521,059	$0	$16,503	$521,059	
812205	LASALLE BANK NA	$0	$16,500	$3,313	$16,500	$3,313	
830241	CHRISTIAN COMMUNITY CREDIT UNION	$0	$16,430	$694,019	$16,430	$694,019	
823099	WESBANCO WHEELING	$0	$16,347	$589,871	$16,347	$589,871	
828909	MIFFLIN COUNTY SAVINGS BANK	$0	$16,303	$783,434	$16,303	$783,434	
832959	WAUWATOSA CREDIT UNION	$0	$16,228	$637,808	$16,228	$637,808	
825240	YS FCU	$0	$16,197	$657,001	$16,197	$657,001	
832438	WESTAR FEDERAL CREDIT UNION	$0	$16,153	$546,867	$16,153	$546,867	
832035	US BANK NA	$0	$16,146	$503,679	$16,146	$503,679	
807968	GLENS FALLS NATIONAL BANK & TRUST	$0	$16,145	$1,917	$16,145	$1,917	
818819	FIRST SECURITY BANK	$0	$16,138	$694,585	$16,138	$694,585	
828841	CITIZENS AND NORTHERN BANK	$0	$16,118	$153,207	$16,118	$153,207	
806958	FIRST NATIONAL BANK OF MONTANA	$0	$16,098	$715,360	$16,098	$715,360	
813517	FIRST FEDERAL SAVINGS BANK	$0	$16,075	$228,909	$16,075	$228,909	
833927	A+ FEDERAL CREDIT UNION	$0	$16,005	$976,139	$16,005	$976,139	
829489	ZIONS FNB ELT NAT'L ED LOANS NETWOR	$0	$15,832	$28,180	$15,832	$28,180	
810454	FIRST DAKOTA NATIONAL BANK	$0	$15,770	$0	$15,770	$0	
832950	MARATHON ROTHSCHILD CU	$0	$15,740	$547,377	$15,740	$547,377	
822206	NATIONAL BANK & TRUST OF SYCAMORE	$0	$15,739	$4,349	$15,739	$4,349	
827623	PROSPERA CREDIT UNION	$0	$15,669	$683,141	$15,669	$683,141	
828479	DAIRYLAND POWER CREDIT UNION	$0	$15,665	$524,443	$15,665	$524,443	
818130	THE RIVERBANK	$0	$15,657	$993,685	$15,657	$993,685	
824305	HORIZONS FEDERAL CREDIT UNION	$0	$15,655	$593,217	$15,655	$593,217	
832760	ST PIUS TENTH CHURCH FCU	$0	$15,531	$535,232	$15,531	$535,232	
832768	EDUCATIONAL EMPLOYEES CU	$0	$15,523	$952,090	$15,523	$952,090	
823888	FIRST LIBERTY FEDERAL CREDIT UNION	$0	$15,497	$694,542	$15,497	$694,542	

833146	GOLDEN RULE COMMUNITY CREDIT UNION	$0	$15,417	$778,502	$15,417	$778,502
819515	CASCADE CENTRAL CREDIT UNION	$0	$15,415	$356,056	$15,415	$356,056
833893	PROVINCIAL BANK ACADEMIC FUNDING GR	$0	$15,367	$2,377,871	$15,367	$2,377,871
810785	LEGEND BANK	$0	$15,338	$788,892	$15,338	$788,892
834027	AMERICAN AIRLINES FCU	$0	$15,332	$713,741	$15,332	$713,741
825641	FARMERS BANK OF COOK	$0	$15,217	$663,924	$15,217	$663,924
823761	BULLS EYE CU	$0	$15,215	$788,776	$15,215	$788,776
804456	EMPORIA STATE BANK & TRUST CO	$0	$15,212	$448	$15,212	$448
822312	TEXANS CU	$0	$15,210	$683,390	$15,210	$683,390
809027	FIRST NATIONAL BANK	$0	$15,202	$534,400	$15,202	$534,400
828812	FORWARD FINANCIAL CU	$0	$15,202	$762,492	$15,202	$762,492
828366	COMMUNITY CREDIT UNION	$0	$15,096	$630,202	$15,096	$630,202
805809	STE CROIX REGIONAL FCU	$0	$15,078	$728,340	$15,078	$728,340
827619	NE PA COMMUNITY FEDERAL CREDIT UN	$0	$14,899	$623,180	$14,899	$623,180
813376	COPPER AND GLASS FCU	$0	$14,895	$480,134	$14,895	$480,134
830511	CAPITOL FEDERAL S&L ASSC	$0	$14,764	$3,312	$14,764	$3,312
832842	TOWER CREDIT UNION	$0	$14,743	$524,634	$14,743	$524,634
832407	BUFFALO METROPOLITAN FCU	$0	$14,654	$613,974	$14,654	$613,974
827616	TOMAH AREA CREDIT UNION	$0	$14,650	$969,373	$14,650	$969,373
811884	FARMERS & MERCHANTS UNION BANK	$0	$14,640	$604,787	$14,640	$604,787
829928	AFFINITY PLUS CREDIT UNION	$0	$14,593	$668,361	$14,593	$668,361
818869	BANK OF ELMWOOD	$0	$14,563	$885,945	$14,563	$885,945
818128	OOSTBURG STATE BANK	$0	$14,543	$848,084	$14,543	$848,084
829512	GPO FEDERAL CREDIT UNION	$0	$14,430	$657,001	$14,430	$657,001
831652	THE BANKERS BANK	$0	$14,399	$542,396	$14,399	$542,396
833132	IRVIN WORKS FCU	$0	$14,387	$532,470	$14,387	$532,470
833460	OKLAHOMA EMPLOYEES CREDIT UNION	$0	$14,375	$368,753	$14,375	$368,753
833902	PACIFIC COLLEGE OF ORIENTAL MEDICIN	$0	$14,373	$14,373	$0	
829800	HIGHMARK FEDERAL CREDIT UNION	$0	$14,344	$628,286	$14,344	$628,286
818085	JACKSON COUNTY BANK	$0	$14,263	$819,378	$14,263	$819,378
832390	ADDISON AVENUE FCU	$0	$14,246	$599,946	$14,246	$599,946
822553	AMERICAN BANK	$0	$14,213	$679,473	$14,213	$679,473
832807	SUNMARK FEDERAL CREDIT UNION	$0	$14,096	$965,331	$14,096	$965,331
810432	DACOTAH BANK	$0	$14,091	$6,625	$14,091	$6,625
821154	PHELPS COUNTY BANK	$0	$14,086	$551,101	$14,086	$551,101
809100	COPPERMARK BANK	$0	$14,060	$487,592	$14,060	$487,592
802759	OAK BROOK BANK	$0	$14,045	$901,359	$14,045	$901,359
824047	A-K VALLEY FEDERAL CREDIT UNION	$0	$14,032	$899,133	$14,032	$899,133
834033	FORT SILL FCU	$0	$14,028	$776,198	$14,028	$776,198
832487	ONTARIO SHORES FEDERAL CREDIT UNION	$0	$14,012	$540,371	$14,012	$540,371

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833463	HEMPFIELD AREA FCU	$0	$13,999	$398,027	$13,999	$398,027	
823827	HEARTLAND CREDIT UNION	$0	$13,997	$40,034	$13,997	$40,034	
813471	HANSCOM FEDERAL CREDIT UNION	$0	$13,996	$884,401	$13,996	$884,401	
828555	EDUCATORS CREDIT UNION	$0	$13,986	$893,931	$13,986	$893,931	
832727	UNIV OF SOUTHERN MISS CU	$0	$13,972	$789,341	$13,972	$789,341	
833352	COMMUNITY BANK—MISSOULA INC	$0	$13,959	$13,959	$0		
832676	MERIT FEDERAL CREDIT UNION	$0	$13,931	$0	$13,931	$0	
815854	JP MORGAN CHASE BANK	$0	$13,798	$0	$13,798	$0	
828837	WEST-AIRCOMM FCU	$0	$13,794	$986,452	$13,794	$986,452	
822234	ALTOONA VA HOSPITAL FCU	$0	$13,780	$547,664	$13,780	$547,664	
832848	NORTH DAKOTA AIR NATIONAL GUARD CU	$0	$13,697	$475,557	$13,697	$475,557	
811958	NATIONAL BANK OF WAUPUN	$0	$13,673	$934,162	$13,673	$934,162	
810436	GREAT WESTERN BANK	$0	$13,665	$14,999	$13,665	$14,999	
828546	LIFETIME CREDIT UNION	$0	$13,522	$544,327	$13,522	$544,327	
813476	MASSBANK	$0	$13,510	$672,772	$13,510	$672,772	
819855	SOUTHPOINT FEDERAL CREDIT UNION	$0	$13,506	$671,993	$13,506	$671,993	
832105	NIAGARA COUNTY FCU	$0	$13,471	$596,774	$13,471	$596,774	
818089	DENMARK STATE BANK	$0	$13,452	$639,884	$13,452	$639,884	
827531	GREAT FALLS TEACHERS FEDERAL CU	$0	$13,408	$624,041	$13,408	$624,041	
833633	BROKAW CREDIT UNION	$0	$13,383	$706,315	$13,383	$706,315	
824824	NORTH MILWAUKEE STATE BANK	$0	$13,369	$839,504	$13,369	$839,504	
816177	HERITAGEBANK OF THE SOUTH	$0	$13,358	$791,861	$13,358	$791,861	
810798	INTERNATIONAL BANK OF COMMERCE-EAGL	$0	$13,336	$617,795	$13,336	$617,795	
832648	FIRST CAPITAL CREDIT UNION	$0	$13,331	$548,304	$13,331	$548,304	
826495	CORNERSTONE FCU	$0	$13,319	$402,036	$13,319	$402,036	
833167	GOVERNMENTAL EMPLOYEES CU	$0	$13,268	$585,049	$13,268	$585,049	
821925	FOX VALLEY SAVINGS BANK	$0	$13,256	$718,786	$13,256	$718,786	
832718	N B A CREDIT UNION	$0	$13,199	$471,101	$13,199	$471,101	
808923	NATIONAL CITY BANK	$0	$13,157	$37,734	$13,157	$37,734	
832711	CATHOLIC FAMILY FCU	$0	$13,122	$389,400	$13,122	$389,400	
833931	EAST CENTRAL CU	$0	$13,106	$13,106	$0		
828714	FIRST AMERICAN CREDIT UNION	$0	$13,093	$630,916	$13,093	$630,916	
821916	KEYSTONE UNITED METHODIST FCU	$0	$13,067	$692,585	$13,067	$692,585	

831848	KEY BANK NA	$0	$12,998	$4,372	$12,998	$4,372
817284	EDCO COMMUNITY CREDIT UNION	$0	$12,954	$699,765	$12,954	$699,765
817551	CAMERON STATE BANK	$0	$12,921	$0	$12,921	$0
828906	P G &W EMPLOYEES F C U	$0	$12,916	$602,838	$12,916	$602,838
805782	NEW DIMENSIONS FCU	$0	$12,730	$513,146	$12,730	$513,146
823343	FIRST BANK FINANCIAL CENTER	$0	$12,729	$807,068	$12,729	$807,068
824714	TCF NATIONAL BANK	$0	$12,719	$1,183,815	$12,719	$1,183,815
822814	MON VALLEY COMMUNITY FEDERAL CREDIT	$0	$12,702	$657,034	$12,702	$657,034
813916	SECURITY STATE BANK & TRUST	$0	$12,660	$475,583	$12,660	$475,583
832290	TRUWEST CU	$0	$12,556	$634,326	$12,556	$634,326
801894	WELLS FARGO EDUCATION FIN SVCS	$0	$12,553	$893,589	$12,553	$893,589
830999	INDIANHEAD CREDIT UNION	$0	$12,514	$477,487	$12,514	$477,487
823384	COASTAL COMMUNITY & TEACHERS CU	$0	$12,486	$0	$12,486	$0
819526	WESTERN STATE BANK	$0	$12,469	$621,279	$12,469	$621,279
828768	EAGLE BK & TRUST CO OF JEFF CO	$0	$12,421	$521,175	$12,421	$521,175
830924	PEOPLES CHOICE CREDIT UNION	$0	$12,356	$440,758	$12,356	$440,758
821067	MECHANICS SAVINGS BANK	$0	$12,354	$825,557	$12,354	$825,557
816026	AEDC FEDERAL CREDIT UNION	$0	$12,334	$796,647	$12,334	$796,647
833805	REDSTONE FCU	$0	$12,268	$2,626	$12,268	$2,626
822480	SKY BANK	$0	$12,245	$722,286	$12,245	$722,286
825633	UNITED PRAIRIE BANK-SLAYTON	$0	$12,205	$630,948	$12,205	$630,948
817409	MONROE COUNTY COMMUNITY CREDIT UNIO	$0	$12,161	$770,903	$12,161	$770,903
823247	BFG FEDERAL CREDIT UNION	$0	$12,083	$407,329	$12,083	$407,329
832650	AMERICHOICE FCU	$0	$12,034	$648,173	$12,034	$648,173
806778	CABOOL STATE BANK	$0	$12,019	$428,993	$12,019	$428,993
812355	TELCO TRIAD CREDIT UNION	$0	$12,000	$662,958	$12,000	$662,958
832630	OUR COMMUNITY CREDIT UNION	$0	$11,979	$611,476	$11,979	$611,476
828948	1ST CHOICE COMMUNITY FCU	$0	$11,881	$676,006	$11,881	$676,006
818219	AMERICAN BANK & TRUST WISCONSIN	$0	$11,870	$749,996	$11,870	$749,996
809231	FIRST TECHNOLOGY CREDIT UNION	$0	$11,839	$562,996	$11,839	$562,996
827117	RICHLAND COUNTY BANK	$0	$11,825	$748,104	$11,825	$748,104
833169	FIRST WESTERN BANK OF STURGIS	$0	$11,812	$0	$11,812	$0
827196	STATE DEPARTMENT FCU	$0	$11,807	$1,169,961	$11,807	$1,169,961
830547	CLS-NATIONAL CITY BANK OF PA	$0	$11,805	$48,375	$11,805	$48,375
828887	FIRST COMMONWEALTH FCU	$0	$11,696	$616,992	$11,696	$616,992
810226	VANTAGE TRUST FCU	$0	$11,691	$621,030	$11,691	$621,030
832404	ALCO FEDERAL CREDIT UNION	$0	$11,685	$561,269	$11,685	$561,269
833866	FIFTH THIRD ELT EIC	$0	$11,678	$0	$11,678	$0
810995	1ST NAT'L BANK OF CANADIAN	$0	$11,662	$39,829	$11,662	$39,829
832275	UNIVERSITY OF MICHIGAN CU	$0	$11,656	$800,292	$11,656	$800,292

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
832626	LANCASTER RED ROSE CU	$0	$11,618	$365,508	$11,618	$365,508	
828876	SCIENCE PARK EMPLOYEES C U	$0	$11,598	$683,122	$11,598	$683,122	
832000	UMB BANK	$0	$11,589	$321,826	$11,589	$321,826	
828477	VANTAGE WEST CREDIT UNION	$0	$11,555	$152,215	$11,555	$152,215	
813317	MAX FEDERAL CREDIT UNION	$0	$11,535	$914,163	$11,535	$914,163	
826585	STATE CENTRAL CREDIT UNION	$0	$11,530	$575,446	$11,530	$575,446	
832090	DALE EMPLOYEES CREDIT UNION	$0	$11,526	$432,767	$11,526	$432,767	
810479	FIRST STATE BANK	$0	$11,486	$588,803	$11,486	$588,803	
832816	Y T W FEDERAL CREDIT UNION	$0	$11,471	$402,612	$11,471	$402,612	
808441	HASTINGS STATE BANK	$0	$11,462	$2,062	$11,462	$2,062	
833038	MEMBERS CHOICE CREDIT UNION	$0	$11,416	$403,254	$11,416	$403,254	
805152	PEOPLES STATE BANK	$0	$11,407	$0	$11,407	$0	
831897	TRI-COUNTY CREDIT UNION	$0	$11,384	$442,115	$11,384	$442,115	
832116	FIREFIGHTERS COMMUNITY CU	$0	$11,342	$552,994	$11,342	$552,994	
833306	MINNCO CREDIT UNION	$0	$11,329	$549,471	$11,329	$549,471	
833595	NORTHWOODS COMMUNITY CU	$0	$11,327	$580,143	$11,327	$580,143	
817517	CENTRA CREDIT UNION	$0	$11,321	$399,460	$11,321	$399,460	
824411	HURON AREA EDUCATION FEDERAL CREDIT	$0	$11,315	$413,882	$11,315	$413,882	
820231	FIRST NATIONAL BANK AT DARLINGTON	$0	$11,299	$605,291	$11,299	$605,291	
827708	US BANK NA	$0	$11,156	$366,196	$11,156	$366,196	
832292	UNITED CREDIT UNION	$0	$11,143	$501,102	$11,143	$501,102	
833609	CLASS ACT FCU	$0	$11,133	$602,696	$11,133	$602,696	
816480	GEORGIA TELCO CREDIT UNION	$0	$11,117	$594,665	$11,117	$594,665	
825153	RIVER VALLEY CREDIT UNION	$0	$11,092	$468,646	$11,092	$468,646	
832838	CACL FEDERAL CREDIT UNION	$0	$11,077	$11,077	$0		
832627	MINNESOTA POWER EMPLOYEES CREDIT UN	$0	$11,074	$478,116	$11,074	$478,116	
808335	NEBRASKA ENERGY FCU	$0	$10,990	$506,622	$10,990	$506,622	
832705	NESC FEDERAL CREDIT UNION	$0	$10,938	$407,290	$10,938	$407,290	
832803	TRI-STATE FCU	$0	$10,901	$631,594	$10,901	$631,594	
828580	GREAT MIDWEST BANK S.S.B$0	$10,871	$579,605	$10,871	$579,605		
830845	UNO FEDERAL CREDIT UNION	$0	$10,839	$12,274	$10,839	$12,274	
831595	CUDAHY- SOUTHSHORE CU	$0	$10,816	$357,331	$10,816	$357,331	
832264	WESTERN DIVISION FCU	$0	$10,777	$719,934	$10,777	$719,934	

832063	UNIVERSITY OF NEBRASKA FEDERAL CU	$0	$10,774	$458,672	$10,774	$458,672
834186	SOUTHERN CALIF INST OF ARCH	$0	$10,743	$0	$10,743	$0
824608	WACHOVIA BANK NA	$0	$10,721	$596,829	$10,721	$596,829
832561	NIAGARA'S CHOICE FCU	$0	$10,715	$430,163	$10,715	$430,163
833095	FALCON NATIONAL BANK	$0	$10,696	$663,303	$10,696	$663,303
829911	PCM EMPLOYEES CU	$0	$10,652	$514,644	$10,652	$514,644
831875	AVANTA FEDERAL CREDIT UNION	$0	$10,583	$468,978	$10,583	$468,978
832582	SUN FEDERAL CREDIT UNION	$0	$10,561	$578,595	$10,561	$578,595
820888	BANK OF BRODHEAD	$0	$10,490	$639,729	$10,490	$639,729
827104	EQUITABLE BANK SSB	$0	$10,471	$546,383	$10,471	$546,383
822440	BAY SHORE CREDIT UNION	$0	$10,467	$622,106	$10,467	$622,106
803609	OLD NATIONAL BANK	$0	$10,450	$81,725	$10,450	$81,725
829951	ABERDEEN FEDERAL CREDIT UNION	$0	$10,444	$464,501	$10,444	$464,501
832234	WHITEFISH CREDIT UNION	$0	$10,408	$409,907	$10,408	$409,907
833204	ONPOINT COMMUNITY CU	$0	$10,321	$537,242	$10,321	$537,242
813419	PEOPLESBANK A CODORUS VALLEY COMPAN	$0	$10,248	$405,577	$10,248	$405,577
829795	EMORY FEDERAL CREDIT UNION	$0	$10,121	$300,632	$10,121	$300,632
817804	MCDOWELL COUNTY NATIONAL BANK	$0	$10,117	$638,563	$10,117	$638,563
822928	FRANKLIN SAVINGS AND LOAN COMPANY	$0	$10,106	$552,893	$10,106	$552,893
810536	STATE BANK OF ALCESTER	$0	$10,096	$456,061	$10,096	$456,061
826408	CORTRUST BANK	$0	$10,087	$3,408	$10,087	$3,408
829299	WEA CREDIT UNION	$0	$10,028	$456,288	$10,028	$456,288
833047	CORRY JAMESTOWN CREDIT UNION	$0	$9,969	$391,006	$9,969	$391,006
827468	BANK OF WASHINGTON	$0	$9,943	$403,158	$9,943	$403,158
822022	CORNHUSKER BANK	$0	$9,939	$5,132	$9,939	$5,132
833625	HEARTLAND CREDIT UNION	$0	$9,920	$371,703	$9,920	$371,703
822818	CENTURY HERITAGE FCU	$0	$9,892	$502,719	$9,892	$502,719
833205	UNION BANK & TRUST ELT NELNET	$0	$9,851	$90,432	$9,851	$90,432
817864	NORTHEAST ARKANSAS FEDERAL CREDIT U	$0	$9,850	$505,080	$9,850	$505,080
829994	NORTHERN HILLS FCU	$0	$9,849	$427,839	$9,849	$427,839
826405	SYCAMORE BANK	$0	$9,840	$290,436	$9,840	$290,436
809695	LEBANON VALLEY FARMERS BANK	$0	$9,804	$443,211	$9,804	$443,211
809323	WEST BRANCH VALLEY CU	$0	$9,800	$505,049	$9,800	$505,049
834179	FIFTH THIRD ELT BUSINESS FIN SOLUTI	$0	$9,768	$503,884	$9,768	$503,884
833709	ARVEST BANK	$0	$9,765	$422,016	$9,765	$422,016
833096	KENMORE TEACHERS FEDERAL CREDIT UNI	$0	$9,748	$387,611	$9,748	$387,611
833469	LAREDO FEDERAL CREDIT UNION	$0	$9,700	$465,764	$9,700	$465,764
832314	EDUCATIONAL COMMUNITY CU	$0	$9,673	$487,573	$9,673	$487,573
817696	FIRST CHOICE AMERICA COMMUNITY FCU	$0	$9,656	$614,202	$9,656	$614,202
830525	LASALLE BANK	$0	$9,650	$0	$9,650	$0

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
832715	UNIVERSITY DR VAH FCU	$0	$9,620	$363,548	$9,620	$363,548	
830649	SLM ECFC	$0	$9,602	$2,082,578	$9,602	$2,082,578	
816358	DELTA COMMUNITY CU	$0	$9,589	$687,865	$9,589	$687,865	
820694	SACO VALLEY CREDIT UNION	$0	$9,561	$294,945	$9,561	$294,945	
830513	DETROIT EDISON CREDIT UNION	$0	$9,558	$448,492	$9,558	$448,492	
807805	M & T BANK EDUCATIONAL LENDING	$0	$9,556	$509,632	$9,556	$509,632	
828142	SCHUYLKILL FEDERAL CREDIT UNION	$0	$9,550	$431,465	$9,550	$431,465	
808018	LAKE SHORE SAVINGS AND LOAN ASSN	$0	$9,542	$374,757	$9,542	$374,757	
810928	FIRST NATIONAL BANK	$0	$9,530	$1,774	$9,530	$1,774	
810948	RED RIVER EMPLOYEES FEDERAL CREDIT	$0	$9,487	$370,623	$9,487	$370,623	
832074	GREATER MN CREDIT UNION	$0	$9,485	$451,622	$9,485	$451,622	
833932	NEW ALLIANCE FCU	$0	$9,471	$600,302	$9,471	$600,302	
832741	PRR SOUTH FORK FCU	$0	$9,468	$424,206	$9,468	$424,206	
812918	NEW TRIPOLI BANK	$0	$9,448	$420,129	$9,448	$420,129	
832148	VIRGINIA UNITED METHODIST CU	$0	$9,439	$329,656	$9,439	$329,656	
833824	DODGE CENTRAL CREDIT UNION	$0	$9,408	$580,463	$9,408	$580,463	
814108	REGIONS BANK	$0	$9,407	$51,145	$9,407	$51,145	
834201	US BANK ELT UNIV OF TX TEXAS EXES	$0	$9,379	$0	$9,379	$0	
833480	PRINCIPAL BANK	$0	$9,363	$243,694	$9,363	$243,694	
816116	FAA EMPLOYEES CREDIT UNION	$0	$9,297	$561,404	$9,297	$561,404	
832355	ERIE SHORES CREDIT UNION INC	$0	$9,251	$480,246	$9,251	$480,246	
821498	TRI VALLEY SERVICE FCU	$0	$9,233	$340,141	$9,233	$340,141	
810903	JOURDANTON STATE BANK	$0	$9,209	$545,984	$9,209	$545,984	
813891	ZIONS BANK (IDAHO FIRST)	$0	$9,184	$46,584	$9,184	$46,584	
814651	SIOUX EMPIRE FEDERAL CREDIT UNION	$0	$9,180	$484,657	$9,180	$484,657	
826001	WALWORTH STATE BANK	$0	$9,119	$614,667	$9,119	$614,667	
832512	BOSSIER FEDERAL CREDIT UNION	$0	$9,118	$345,703	$9,118	$345,703	
832288	C&G SAVINGS ASSOCIATION	$0	$9,105	$591,563	$9,105	$591,563	
818246	ARVEST BANK	$0	$9,091	$462,649	$9,091	$462,649	
826679	ELI LILLY FEDERAL CREDIT UNION	$0	$9,051	$284,029	$9,051	$284,029	
823777	ROSE ROCK BANK	$0	$9,021	$295,430	$9,021	$295,430	
814627	COMMERCIAL TRUST COMPANY	$0	$9,001	$320,483	$9,001	$320,483	
832432	AURORA CREDIT UNION	$0	$8,980	$400,013	$8,980	$400,013	

832174	NASSAU FINANCIAL FCU	$0	$8,958	$514,931	$8,958	$514,931
832551	SHAREFAX CREDIT UNION INC	$0	$8,925	$467,982	$8,925	$467,982
828836	PHOENIXVILLE FEDERAL SVGS & LOAN	$0	$8,858	$444,935	$8,858	$444,935
832560	AURORA BURLINGTON CREDIT UNION	$0	$8,831	$203,474	$8,831	$203,474
833013	UGI EMPLOYEES FCU	$0	$8,793	$338,081	$8,793	$338,081
816098	THE CITIZENS BANK OF CLOVIS	$0	$8,765	$287,537	$8,765	$287,537
808237	FIRST NATIONAL BANK & TRUST COMPANY	$0	$8,734	$403,027	$8,734	$403,027
810225	WILKES BARRE POSTAL FCU	$0	$8,695	$395,172	$8,695	$395,172
812950	FIRST NATIONAL BANK OF BERWICK	$0	$8,679	$107,140	$8,679	$107,140
816319	ATLANTA POSTAL CREDIT UNION	$0	$8,666	$481,550	$8,666	$481,550
832184	SUMMIT CU	$0	$8,657	$356,280	$8,657	$356,280
834112	US BANK ELT BAYLOR UNIV ALUMNI ASSO	$0	$8,630	$0	$8,630	$0
828416	UNITED FEDERAL CU	$0	$8,611	$451,927	$8,611	$451,927
833912	MERCER COUNTY COMMUNITY FCU	$0	$8,585	$451,827	$8,585	$451,827
811946	LAONA STATE BANK	$0	$8,573	$512,594	$8,573	$512,594
833355	CREDIT UNION NORTHWEST	$0	$8,569	$365,643	$8,569	$365,643
831825	INDEPENDENT BANKERS BANK	$0	$8,544	$13,775	$8,544	$13,775
832826	MEDICAL AREA FCU	$0	$8,539	$488,295	$8,539	$488,295
832223	MONONA STATE BANK	$0	$8,530	$479,537	$8,530	$479,537
818280	LIBERTY FEDERAL SAVINGS BANK	$0	$8,519	$279,695	$8,519	$279,695
832877	RIVER CITY COMMUNITY CREDIT UNION	$0	$8,518	$284,466	$8,518	$284,466
832075	RICHFIELD BLOOMINGTON CREDIT UNION	$0	$8,513	$410,179	$8,513	$410,179
823618	ASSOCIATED BANK NA	$0	$8,498	$8,498	$0	
833774	XEROX FEDERAL CREDIT UNION	$0	$8,467	$430,040	$8,467	$430,040
810468	FIRST SAVINGS BANK	$0	$8,449	$335,881	$8,449	$335,881
830837	UNITED SAVINGS CREDIT UNION	$0	$8,436	$337,699	$8,436	$337,699
829825	HARDIN COMMUNITY FEDERAL CREDIT UNI	$0	$8,431	$404,470	$8,431	$404,470
811513	CITIZENS NATIONAL BANK OF BERKELEY	$0	$8,410	$659,200	$8,410	$659,200
828024	FIRST COMMUNITY CREDIT UNION	$0	$8,409	$408,297	$8,409	$408,297
832935	CY-FAIR FCU	$0	$8,381	$392,807	$8,381	$392,807
833120	AREA COMMUNITY CREDIT UNION	$0	$8,365	$319,360	$8,365	$319,360
827902	STERLING UNITED FCU	$0	$8,346	$447,058	$8,346	$447,058
822189	FIBERGLAS FEDERAL CREDIT UNION	$0	$8,329	$418,201	$8,329	$418,201
832745	EC & EE EMPLOYEES FCU	$0	$8,288	$310,584	$8,288	$310,584
806481	MINNWEST BANK LUVERNE	$0	$8,271	$336,416	$8,271	$336,416
827675	DULUTH TEACHERS CREDIT UNION	$0	$8,270	$290,872	$8,270	$290,872
804091	IOWA FALLS STATE BANK	$0	$8,266	$317,723	$8,266	$317,723
833507	MERIDIA COMMUNITY FCU	$0	$8,250	$257,927	$8,250	$257,927
832091	ST CLOUD FEDERAL CREDIT UNION	$0	$8,235	$529,678	$8,235	$529,678
810482	FIRST NATIONAL BANK	$0	$8,222	$380,656	$8,222	$380,656

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
808273	WESTERN HERITAGE CREDIT UNION	$0	$8,212	$394,947	$8,212	$394,947	
828907	R-S BELLCO FEDERAL CREDIT UNION	$0	$8,154	$477,964	$8,154	$477,964	
816190	DOCO REGIONAL FCU	$0	$8,145	$527,744	$8,145	$527,744	
825230	COMERICA BANK	$0	$8,117	$2,770	$8,117	$2,770	
809966	CORRY FCU	$0	$8,092	$561,707	$8,092	$561,707	
832350	HEALTHFIRST FCU	$0	$8,074	$363,998	$8,074	$363,998	
827348	GUARDIAN CREDIT UNION	$0	$8,065	$399,109	$8,065	$399,109	
832868	HERMANTOWN FCU	$0	$8,033	$335,619	$8,033	$335,619	
833041	CANTON SCHOOL EFCU	$0	$8,019	$318,110	$8,019	$318,110	
832033	UNITED STATES SENATE FEDERAL CREDIT	$0	$8,000	$480,967	$8,000	$480,967	
832433	PRIMEFINANCIAL CU	$0	$7,979	$523,756	$7,979	$523,756	
810463	FIRST NATIONAL BANK IN PHILIP	$0	$7,945	$328,838	$7,945	$328,838	
808425	FREMONT FIRST CENTRAL FEDERAL CREDI	$0	$7,923	$349,997	$7,923	$349,997	
803947	CENTRAL BANK	$0	$7,913	$258,947	$7,913	$258,947	
826004	ORNL FEDERAL CREDIT UNION	$0	$7,883	$10,836	$7,883	$10,836	
828732	CAPITAL COMMUNICATIONS FEDERAL CRED	$0	$7,859	$449,436	$7,859	$449,436	
833637	NORTHERN COMMUNITIES CU	$0	$7,854	$300,706	$7,854	$300,706	
831706	PIONEER CU	$0	$7,852	$266,611	$7,852	$266,611	
830720	VAC EMPLOYEES FCU	$0	$7,796	$362,768	$7,796	$362,768	
818506	STATE BANK OF ARCADIA	$0	$7,781	$373,940	$7,781	$373,940	
820277	DISCOVERY FCU	$0	$7,772	$505,952	$7,772	$505,952	
823762	AB CREDIT UNION	$0	$7,714	$293,216	$7,714	$293,216	
802814	CITIZENS NATIONAL BANK	$0	$7,635	$7,635	$0		
833614	BADGER CREDIT UNION	$0	$7,630	$321,260	$7,630	$321,260	
809947	VALLEY FIRST COMM FCU	$0	$7,627	$7,627	$0		
817856	THE FIRST NATIONAL BANK AT PARIS	$0	$7,625	$264,145	$7,625	$264,145	
829509	SOUTHWEST RESEARCH CENTER FCU	$0	$7,619	$510,161	$7,619	$510,161	
831535	WYOMING STUDENT LOAN CORP GEN FUND	$0	$7,598	$421,547	$7,598	$421,547	
831301	SOUTHPOINTE CREDIT UNION	$0	$7,576	$223,786	$7,576	$223,786	
833898	PITTSBURGH POLICE FCU	$0	$7,571	$404,209	$7,571	$404,209	
833794	CONE CREDIT UNION	$0	$7,570	$223,004	$7,570	$223,004	
832610	HAR-CO MARYLAND FEDERAL CREDIT UNIO	$0	$7,560	$390,931	$7,560	$390,931	
831513	UNIVERSITY OF COLORADO	$0	$7,548	$7,548	$0		

832584	KEMBA CU	$0	$7,533	$7,533	$0	
819166	JP MORGANCHASE BANK	$0	$7,519	$12,934	$7,519	$12,934
809459	ELDERTON STATE BANK	$0	$7,515	$558,723	$7,515	$558,723
829513	DOT FEDERAL CREDIT UNION	$0	$7,504	$326,642	$7,504	$326,642
832343	ABCO FEDERAL CREDIT UNION	$0	$7,489	$544,484	$7,489	$544,484
832850	FEDERATED FAMILY CU	$0	$7,486	$273,721	$7,486	$273,721
832454	UNITED BANK OF PHILADELPHIA	$0	$7,479	$509,952	$7,479	$509,952
828001	EAST TEXAS PROFESSIONAL CU	$0	$7,467	$363,262	$7,467	$363,262
827885	APPLETREE CREDIT UNION	$0	$7,422	$415,169	$7,422	$415,169
813574	CUMBERLAND COUNTY FCU	$0	$7,412	$495,002	$7,412	$495,002
827066	INNER LAKES FCU	$0	$7,390	$319,804	$7,390	$319,804
829624	ENTERPRISE CREDIT UNION	$0	$7,357	$377,384	$7,357	$377,384
832335	GOWANDA AREA FCU	$0	$7,324	$249,099	$7,324	$249,099
832026	OPCS FEDERAL CREDIT UNION	$0	$7,285	$329,218	$7,285	$329,218
833628	PEPPERDINE UNIVERSITY	$0	$7,274	$7,274	$0	
828851	MUNICIPAL CREDIT UNION	$0	$7,245	$250,732	$7,245	$250,732
826322	CINCINNATI INTERAGENCY FEDERAL CRED	$0	$7,215	$291,632	$7,215	$291,632
832825	WACHOVIA NAT'L BANK DE NA	$0	$7,210	$433,127	$7,210	$433,127
820758	SALEM VA MEDICAL CENTER FED CR UNIO	$0	$7,199	$586,483	$7,199	$586,483
832538	NORTHLAND EDUCATORS FCU	$0	$7,199	$338,258	$7,199	$338,258
833118	ELM RIVER CREDIT UNION	$0	$7,194	$290,715	$7,194	$290,715
807612	WASHINGTON MUTUAL BANK FA	$0	$7,189	$0	$7,189	$0
830294	FIRST COMMUNITY FEDERAL CREDIT UNIO	$0	$7,181	$345,426	$7,181	$345,426
818220	STATE BANK OF CHILTON	$0	$7,179	$359,100	$7,179	$359,100
819769	PENINSULA FEDERAL CREDIT UNION	$0	$7,151	$524,390	$7,151	$524,390
832800	FAYETTE FEDERAL EMPLOYEES FCU	$0	$7,151	$322,250	$7,151	$322,250
833837	LONE STAR NATIONAL BANK	$0	$7,109	$378,390	$7,109	$378,390
829390	SEACOMM FEDERAL CREDIT UNION	$0	$7,105	$577,450	$7,105	$577,450
808521	SAC FEDERAL CREDIT UNION	$0	$7,088	$290,088	$7,088	$290,088
832059	CHAMPION CREDIT UNION	$0	$7,088	$270,539	$7,088	$270,539
832719	BLUE CHIP FCU	$0	$7,083	$388,826	$7,083	$388,826
832254	CAPITAL TRUST FEDERAL CREDIT UNION	$0	$7,028	$276,186	$7,028	$276,186
833112	GREATER LATROBE SCHOOLS FCU	$0	$7,016	$192,317	$7,016	$192,317
814495	MAQUOKETA STATE BANK	$0	$6,997	$420,408	$6,997	$420,408
832749	TOPMARK FCU	$0	$6,995	$202,170	$6,995	$202,170
832886	TONAWANDA FCU	$0	$6,993	$309,159	$6,993	$309,159
824046	PA CENTRAL FCU	$0	$6,984	$326,011	$6,984	$326,011
829086	COMMUNITY FCU	$0	$6,968	$265,612	$6,968	$265,612
827711	FIRST SERVICE CU	$0	$6,952	$252,995	$6,952	$252,995
808990	FIRST FIDELITY BANK NA	$0	$6,942	$0	$6,942	$0

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
832846	AUSTIN TELCO FCU	$0	$6,936	$6,936	$0		
827802	EDTECH FEDERAL CREDIT UNION	$0	$6,923	$276,209	$6,923	$276,209	
830555	COMMUNITY BANK	$0	$6,915	$253,395	$6,915	$253,395	
819745	SOUND CREDIT UNION	$0	$6,914	$357,750	$6,914	$357,750	
824693	FINGER LAKES FEDERAL CREDIT UNION	$0	$6,911	$459,472	$6,911	$459,472	
833660	ULSTER FEDERAL CREDIT UNION	$0	$6,901	$380,999	$6,901	$380,999	
833905	EASTERN MAINE MED CENTER FCU	$0	$6,889	$591,726	$6,889	$591,726	
819585	MERIDIAN TRUST FCU	$0	$6,877	$258,396	$6,877	$258,396	
812889	FIRST NAT'L BANK OF LILLY	$0	$6,873	$379,926	$6,873	$379,926	
823524	MILLER ELECTRIC CREDIT UNION	$0	$6,865	$267,937	$6,865	$267,937	
826396	EMPLOYEES CREDIT UNION	$0	$6,859	$415,350	$6,859	$415,350	
814465	TEXAS FEDERAL CREDIT UNION	$0	$6,840	$527,361	$6,840	$527,361	
833781	CAPITAL AREA FCU	$0	$6,838	$385,891	$6,838	$385,891	
820274	WESTMORELAND FEDERAL EMP FCU	$0	$6,833	$257,138	$6,833	$257,138	
830320	FIRST NATIONAL BANK	$0	$6,830	$308,065	$6,830	$308,065	
825257	KALSEE CREDIT UNION	$0	$6,827	$295,314	$6,827	$295,314	
824795	INDEPENDENCE BANK	$0	$6,824	$252,962	$6,824	$252,962	
833853	ARKANSAS SUPERIOR FCU	$0	$6,802	$6,802	$0		
833249	CITY NATIONAL BANK OF TAYLOR	$0	$6,779	$338,057	$6,779	$338,057	
822870	HOUSTON POLICE FCU	$0	$6,704	$367,960	$6,704	$367,960	
833491	BOEING WICHITA CREDIT UNION	$0	$6,696	$389,052	$6,696	$389,052	
832957	PRINCE GEORGES FCU	$0	$6,660	$268,005	$6,660	$268,005	
824432	APPLE FEDERAL CREDIT UNION	$0	$6,645	$305,693	$6,645	$305,693	
819817	PLAINS COMMERCE BANK	$0	$6,645	$359,705	$6,645	$359,705	
832870	STATE CS EMPLOYEES FEDERAL CREDIT U	$0	$6,625	$227,612	$6,625	$227,612	
813409	OMEGA BANK N A	$0	$6,604	$6,604	$0		
833701	AVESTAR CU	$0	$6,601	$252,033	$6,601	$252,033	
830931	MISSOURI HIGHER EDUCATION LOAN AUTH	$0	$6,583	$338,353	$6,583	$338,353	
819818	RAPID CITY TELCO FEDERAL CREDIT UNI	$0	$6,576	$307,886	$6,576	$307,886	
833384	UNILEVER FEDERAL CREDIT UNION	$0	$6,568	$216,057	$6,568	$216,057	
830530	OSHKOSH CENTRAL CREDIT UNION	$0	$6,531	$329,338	$6,531	$329,338	
833374	LADISH COMMUNITY CU	$0	$6,524	$333,949	$6,524	$333,949	
823466	GULF COAST BANK	$0	$6,512	$356,282	$6,512	$356,282	

819575	STANWOOD AREA FCU	$0	$6,489	$320,320	$6,489	$320,320
832974	KILOWATT CREDIT UNION	$0	$6,482	$171,714	$6,482	$171,714
819648	UNIVERSITY NATIONAL BANK OF CHICAGO	$0	$6,477	$0	$6,477	$0
832915	UFCW LOCAL 1776 FCU	$0	$6,469	$243,824	$6,469	$243,824
830523	GATES CHILI FEDERAL CREDIT UNION	$0	$6,456	$183,377	$6,456	$183,377
825435	BANK OF MONTICELLO	$0	$6,429	$377,921	$6,429	$377,921
829212	TEACHERS CREDIT UNION	$0	$6,389	$314,026	$6,389	$314,026
819012	BANK OF UTICA	$0	$6,355	$389,130	$6,355	$389,130
818402	FIRST NATIONAL BANK—FOX VALLEY	$0	$6,344	$377,842	$6,344	$377,842
811908	FIRST BANK OF BALDWIN	$0	$6,324	$352,444	$6,324	$352,444
832928	MONEY FEDERAL CREDIT UNION	$0	$6,310	$247,623	$6,310	$247,623
833631	UTILITIES EMPLOYEES CREDIT UNION	$0	$6,298	$6,298	$0	
833588	THE ALTOONA HOSPITAL FCU	$0	$6,291	$353,687	$6,291	$353,687
832984	ONE SOURCE FCU	$0	$6,272	$322,696	$6,272	$322,696
827361	BLUE GRASS SAVINGS BANK	$0	$6,271	$206,980	$6,271	$206,980
815708	FIRST NATIONAL BANK VALPARAISO	$0	$6,265	$200,815	$6,265	$200,815
814540	UNION BANK & TRUST COMPANY	$0	$6,264	$6,264	$0	
832537	TAPCO CREDIT UNION	$0	$6,240	$315,896	$6,240	$315,896
832954	SCRANTON TIMES EMP FCU	$0	$6,232	$6,232	$0	
831913	WESTERN CREDIT UNION INC	$0	$6,222	$211,878	$6,222	$211,878
832287	CUMBERLAND COUNTY FCU	$0	$6,220	$466,888	$6,220	$466,888
833411	OKLAHOMA EDUCATORS CU	$0	$6,192	$274,747	$6,192	$274,747
833745	HONEYWELL FCU	$0	$6,190	$290,808	$6,190	$290,808
819504	NUMERICA CREDIT UNION	$0	$6,188	$357,791	$6,188	$357,791
832651	GLATCO CREDIT UNION	$0	$6,184	$216,292	$6,184	$216,292
814381	VALLEY EXCHANGE BANK	$0	$6,162	$244,064	$6,162	$244,064
830930	CENTRAL VIRGINIA FEDERAL CREDIT UNI	$0	$6,121	$240,698	$6,121	$240,698
824852	EASTERN BANK	$0	$6,118	$423,923	$6,118	$423,923
833710	OZONA NATIONAL BANK	$0	$6,105	$268,490	$6,105	$268,490
803967	UNITED COMMUNITY BANK	$0	$6,089	$187,795	$6,089	$187,795
829703	BORDER CAPITAL BANK	$0	$6,069	$266,968	$6,069	$266,968
830387	WEBSTER FEDERAL CU	$0	$6,057	$185,391	$6,057	$185,391
813583	FARMERS & MERCHANTS STATE BANK	$0	$6,043	$246,250	$6,043	$246,250
833839	STAR CHOICE CREDIT UNION	$0	$6,042	$300,319	$6,042	$300,319
819657	TIFFIN SAINT JOSEPH FEDERAL CREDIT	$0	$6,041	$354,162	$6,041	$354,162
832492	PACIFIC NORTHWEST FEDERAL CREDIT UN	$0	$6,022	$320,993	$6,022	$320,993
833354	KNIFE RIVER CREDIT UNION	$0	$5,934	$186,767	$5,934	$186,767
833506	ALLEGIANCE CREDIT UNION	$0	$5,906	$314,962	$5,906	$314,962
810417	COMMERCIAL STATE BANK	$0	$5,892	$233,732	$5,892	$233,732
819155	FARMERS & MERCHANTS BANK	$0	$5,870	$147,606	$5,870	$147,606

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
815780	INGERSOLL RAND FEDERAL CREDIT UNION	$0	$5,849	$347,445	$5,849	$347,445	
805810	TACONNET FEDERAL CREDIT UNION	$0	$5,841	$395,275	$5,841	$395,275	
830564	SACO AND BIDDEFORD SVGS INST	$0	$5,830	$263,632	$5,830	$263,632	
826977	PYRAMAX BANK	$0	$5,806	$355,946	$5,806	$355,946	
833282	FIRST VICTORIA NATIONAL BANK	$0	$5,800	$345,266	$5,800	$345,266	
833407	BRONCO FEDERAL CREDIT UNION	$0	$5,784	$405,852	$5,784	$405,852	
832331	CHAMPLAIN VALLEY CREDIT UNION	$0	$5,782	$278,884	$5,782	$278,884	
833878	CITY-COUNTY FCU	$0	$5,781	$287,778	$5,781	$287,778	
832750	MISSISSIPPI POSTAL EMPLOYEES FCU	$0	$5,747	$373,440	$5,747	$373,440	
828634	DORT FEDERAL CREDIT UNION	$0	$5,733	$400,292	$5,733	$400,292	
824461	TEACHER FEDERAL CREDIT UNION	$0	$5,703	$308,018	$5,703	$308,018	
821347	OREGONIANS CU	$0	$5,697	$210,330	$5,697	$210,330	
806378	FIRST STATE BANK OF ST JOSEPH	$0	$5,697	$248,875	$5,697	$248,875	
832391	TOLEDO AREA COMMUNITY CU	$0	$5,685	$367,893	$5,685	$367,893	
819511	SAVINGS BANK	$0	$5,652	$407,527	$5,652	$407,527	
828798	M & T BANK EDUCATIONAL LENDING	$0	$5,644	$348,008	$5,644	$348,008	
833284	WEST POINTE BANK	$0	$5,629	$323,998	$5,629	$323,998	
831859	WESTERN VISTA FEDERAL CREDIT UNION	$0	$5,593	$233,345	$5,593	$233,345	
832897	OWEGO HERITAGE FCU	$0	$5,589	$238,025	$5,589	$238,025	
828975	WESTMORELAND COMMUNITY FCU	$0	$5,588	$332,978	$5,588	$332,978	
826556	LOGAN COUNTY BANK	$0	$5,577	$219,829	$5,577	$219,829	
832377	PORTLAND REGIONAL FEDERAL CREDIT UN	$0	$5,540	$189,642	$5,540	$189,642	
825568	UKRAINIAN SELFRELIANCE OF W PA FCU	$0	$5,534	$151,893	$5,534	$151,893	
831119	MO HIGHER ED LOAN AUTHORITY	$0	$5,526	$838,203	$5,526	$838,203	
820726	HUTCHINSON CREDIT UNION	$0	$5,526	$204,527	$5,526	$204,527	
810489	FULTON STATE BANK	$0	$5,525	$228,033	$5,525	$228,033	
832340	AUBURN COMMUNITY FCU	$0	$5,523	$267,712	$5,523	$267,712	
833240	FARGO PUBLIC SCHOOLS FEDERAL CREDIT	$0	$5,520	$282,746	$5,520	$282,746	
833233	US BANK ELT PHEA INC	$0	$5,511	$703,430	$5,511	$703,430	
810462	FIRST STATE BANK OF MILLER	$0	$5,504	$272,551	$5,504	$272,551	
828826	CENTRAL BANK OF LEBANON	$0	$5,498	$190,121	$5,498	$190,121	
814440	COMMUNITY FIRST CU OF FLORIDA	$0	$5,478	$287,226	$5,478	$287,226	
834107	FRANKLIN OIL REGION CU	$0	$5,472	$228,884	$5,472	$228,884	

833899	BANGOR FCU	$0	$5,439	$338,645	$5,439	$338,645
821715	MAGNOLIA FCU	$0	$5,432	$410,800	$5,432	$410,800
823079	HOME SAVINGS & LOAN ASSOCIATION	$0	$5,410	$303,241	$5,410	$303,241
832881	LEWISTON PORTER FCU	$0	$5,393	$222,006	$5,393	$222,006
819350	UNITUS COMMUNITY CU	$0	$5,391	$250,308	$5,391	$250,308
832522	MILESTONE FCU	$0	$5,384	$249,171	$5,384	$249,171
819088	POWER COOP EMPLOYEES CREDIT UNION	$0	$5,378	$232,825	$5,378	$232,825
832356	BISSELL EMPLOYEES CREDIT UNION	$0	$5,373	$176,217	$5,373	$176,217
833687	CLASSIC FEDERAL CREDIT UNION	$0	$5,362	$338,850	$5,362	$338,850
833739	CALIFORNIA CREDIT UNION	$0	$5,360	$277,887	$5,360	$277,887
813148	MACOMB SCH & GOVERNMENT CREDIT UNIO	$0	$5,301	$356,332	$5,301	$356,332
833727	BUFFALO SERVICE CREDIT UNION	$0	$5,290	$183,706	$5,290	$183,706
812008	STATE BANK OF CAZENOVIA	$0	$5,281	$393,573	$5,281	$393,573
823895	LANSING AUTOMAKERS FCU	$0	$5,279	$284,706	$5,279	$284,706
832913	LITTLE GIANT FEDERAL CREDIT UNION	$0	$5,270	$307,074	$5,270	$307,074
812688	M & T BANK EDUCATIONAL LENDING	$0	$5,265	$0	$5,265	$0
810466	FIRST NATIONAL BANK OF VOLGA	$0	$5,258	$223,666	$5,258	$223,666
833320	CO-OPERATIVE CREDIT UNION	$0	$5,253	$192,604	$5,253	$192,604
832942	TEMCO EMPLOYEES FCU	$0	$5,250	$5,250	$0	
810533	PIONEER BANK & TRUST	$0	$5,224	$0	$5,224	$0
833396	TEXAS DPS CREDIT UNION	$0	$5,222	$367,187	$5,222	$367,187
833083	RACINE MUNICIPAL EMPLOYEES CREDIT U	$0	$5,219	$254,862	$5,219	$254,862
826730	CENTURY FEDERAL CREDIT UNION	$0	$5,213	$5,213	$0	
834219	US BANK ELT STUDENTONE LLC	$0	$5,186	$23,038	$5,186	$23,038
833651	MENASHA EMP CU	$0	$5,173	$211,402	$5,173	$211,402
810518	PEOPLES STATE BANK	$0	$5,158	$263,509	$5,158	$263,509
809015	SOUTHWEST NATIONAL BANK	$0	$5,150	$219,619	$5,150	$219,619
827445	THIRD FEDERAL SAVINGS BANK	$0	$5,127	$305,891	$5,127	$305,891
832905	MOHAWK VALLEY FCU	$0	$5,125	$151,523	$5,125	$151,523
833510	NEENAH FOUNDRY CREDIT UNION	$0	$5,122	$214,530	$5,122	$214,530
830665	MUNICIPAL CREDIT UNION	$0	$5,120	$458,008	$5,120	$458,008
819245	HOMETOWN BANK	$0	$5,095	$281,418	$5,095	$281,418
832490	DPL FEDERAL CREDIT UNION	$0	$5,087	$136,354	$5,087	$136,354
833555	LIBERTY FIRST CREDIT UNION	$0	$5,087	$314,878	$5,087	$314,878
833746	CLEARVIEW FCU	$0	$5,085	$311,423	$5,085	$311,423
828125	ST PAUL POSTAL EMP CU	$0	$5,074	$284,370	$5,074	$284,370
826375	AMERICAN STATE BANK	$0	$5,059	$189,657	$5,059	$189,657
833157	JP MORGAN CHASE SMS TRUST 1994-B	$0	$5,059	$525,374	$5,059	$525,374
809874	PEOPLES STATE BANK	$0	$5,051	$10,542	$5,051	$10,542
832523	WEST VIRGINIA CENTRAL CREDIT UNION	$0	$5,019	$179,214	$5,019	$179,214

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833348	COMMUNITYAMERICA CREDIT UNION	$0	$5,016	$321,399	$5,016	$321,399	
832302	SENTRY FCU	$0	$5,014	$175,470	$5,014	$175,470	
832452	NEWPORT NEWS MUNICIPAL ECU	$0	$5,005	$185,941	$5,005	$185,941	
829967	BAYER HERITAGE FCU	$0	$5,004	$292,719	$5,004	$292,719	
823588	AURGROUP FINANCIAL CREDIT UNION	$0	$4,965	$275,167	$4,965	$275,167	
828527	OMAHA FEDERAL CREDIT UNION	$0	$4,965	$270,981	$4,965	$270,981	
833300	THE PEOPLES COMMUNITY BANK	$0	$4,956	$4,956	$0		
830488	AMPLIFY FCU	$0	$4,956	$219,757	$4,956	$219,757	
812762	CROSSROADS CU	$0	$4,929	$251,890	$4,929	$251,890	
832263	HAMPTON ROADS EDUCATORS CU	$0	$4,917	$237,119	$4,917	$237,119	
832255	SWEET HOME FEDERAL CREDIT UNION	$0	$4,896	$255,823	$4,896	$255,823	
829346	MEMBERS' ADVANTAGE CU	$0	$4,881	$269,585	$4,881	$269,585	
820418	SECU FEDERAL CREDIT UNION	$0	$4,875	$425,598	$4,875	$425,598	
819169	YOAKUM NATIONAL BANK	$0	$4,869	$354,707	$4,869	$354,707	
832256	ST JOSEPHS PARISH BUFFALO FCU	$0	$4,839	$161,875	$4,839	$161,875	
816367	ASSOCIATED CREDIT UNION	$0	$4,829	$272,485	$4,829	$272,485	
823990	FAMILY CREDIT UNION	$0	$4,822	$182,326	$4,822	$182,326	
823296	SCHOOL EMP. LOR CU	$0	$4,819	$317,864	$4,819	$317,864	
832806	ROUNTREE CREDIT UNION	$0	$4,815	$210,261	$4,815	$210,261	
826969	METROPOLITAN CREDIT UNION	$0	$4,802	$343,846	$4,802	$343,846	
832442	OSU FEDERAL CREDIT UNION	$0	$4,768	$228,752	$4,768	$228,752	
831489	RUSHMORE ELECTRIC FEDERAL CREDIT UN	$0	$4,761	$275,932	$4,761	$275,932	
832495	FIREFIGHTERS CU	$0	$4,760	$197,298	$4,760	$197,298	
831252	STATE BANK OF CROSS PLAINS	$0	$4,731	$292,897	$4,731	$292,897	
832278	GREATER PORTLAND MUNICIPAL FCU	$0	$4,731	$304,202	$4,731	$304,202	
832759	H-F CREDIT UNION	$0	$4,718	$198,184	$4,718	$198,184	
829641	POWERCO CREDIT UNION INC	$0	$4,712	$167,861	$4,712	$167,861	
822648	MICHIGAN RURAL REHABILITATION CORPO	$0	$4,704	$342,328	$4,704	$342,328	
828340	FIRST EDUCATION FCU	$0	$4,683	$254,306	$4,683	$254,306	
833175	STUDENT LOAN FUNDING US BANK ELT	$0	$4,683	$96,843	$4,683	$96,843	
805804	K V FEDERAL CREDIT UNION	$0	$4,635	$290,954	$4,635	$290,954	
805071	CHURCH POINT BANK & TRUST COMPANY	$0	$4,615	$302,407	$4,615	$302,407	
829262	METRO HEALTH SERVICE FCU	$0	$4,594	$172,705	$4,594	$172,705	

817943	HUDSON RIVER COMM CU	$0	$4,589	$333,914	$4,589	$333,914
806802	CU COMMUNITY CU	$0	$4,577	$132,756	$4,577	$132,756
832330	ROYAL FEDERAL CREDIT UNION	$0	$4,576	$0	$4,576	$0
833832	BANKNORTH	$0	$4,569	$4,569	$0	
833916	GRAPHIC COMMUNICATORS & MACH FCU	$0	$4,564	$121,396	$4,564	$121,396
805788	MAINE MEDIA FEDERAL CREDIT UNION	$0	$4,556	$169,873	$4,556	$169,873
833453	IBEW LOCAL #56 FEDERAL CREDIT UNION	$0	$4,541	$143,432	$4,541	$143,432
832975	NEW ENGLAND UNITED METHODIST FCU	$0	$4,538	$149,030	$4,538	$149,030
833444	FORT WORTH COMMUNITY CU	$0	$4,533	$220,906	$4,533	$220,906
830311	A M COMMUNITY CREDIT UNION	$0	$4,530	$218,343	$4,530	$218,343
833924	LIVERPOOL CENTRAL SCHOOLS FCU	$0	$4,521	$351,126	$4,521	$351,126
829432	WHG-PGH STEEL COMMFCU	$0	$4,521	$362,569	$4,521	$362,569
829833	M O FEDERAL CREDIT UNION	$0	$4,506	$169,798	$4,506	$169,798
832402	MERCY HEALTH PARTNERS FCU	$0	$4,502	$196,625	$4,502	$196,625
807669	WOODSTOWN NATI BANK & TRUST CO	$0	$4,480	$166,695	$4,480	$166,695
832637	TELHIO CREDIT UNION	$0	$4,461	$266,562	$4,461	$266,562
832043	LINCOLN COUNTRY CU	$0	$4,459	$154,542	$4,459	$154,542
832674	MERCK SHARP & DOHME FCU	$0	$4,431	$343,029	$4,431	$343,029
833342	WEST OHIO UNITED METHODIST CU	$0	$4,429	$316,729	$4,429	$316,729
819438	HORIZON CREDIT UNION	$0	$4,411	$339,402	$4,411	$339,402
824843	CHESTERFIELD FEDERAL CREDIT UNION	$0	$4,402	$148,531	$4,402	$148,531
818223	COMMUNITY STATE BANK	$0	$4,400	$328,765	$4,400	$328,765
833940	SHIPBUILDERS CU	$0	$4,397	$306,545	$4,397	$306,545
832293	BOULDER MUNICIPAL EFCU	$0	$4,392	$150,550	$4,392	$150,550
814345	EATON NATIONAL BANK & TRUST CO	$0	$4,349	$287,183	$4,349	$287,183
832903	LEDGE LIGHT FCU	$0	$4,313	$150,581	$4,313	$150,581
834156	FRANKLIN MINT FCU	$0	$4,297	$394,783	$4,297	$394,783
831609	GUARANTY BANK	$0	$4,296	$152,072	$4,296	$152,072
830370	EVERGREEN CREDIT UNION	$0	$4,290	$266,222	$4,290	$266,222
832717	ARMSTRONG COUNTY EMPL FCU	$0	$4,270	$4,270	$0	
830443	TRUSTAR FCU	$0	$4,264	$238,823	$4,264	$238,823
832120	EATON FAMILY CREDIT UNION	$0	$4,256	$200,863	$4,256	$200,863
832294	OHIO EDUCATIONAL CREDIT UNION INC	$0	$4,253	$287,351	$4,253	$287,351
818896	AMERISTATE BANK	$0	$4,252	$110,078	$4,252	$110,078
819383	MARATHON STATE BANK	$0	$4,245	$204,392	$4,245	$204,392
833888	WYROPE WILLIAMSPORT FCU	$0	$4,230	$299,373	$4,230	$299,373
805624	NORWAY SAVINGS BANK	$0	$4,218	$164,304	$4,218	$164,304
833639	WAT FEDERAL CREDIT UNION	$0	$4,207	$255,186	$4,207	$255,186
832658	RIVERSIDE FCU	$0	$4,180	$206,000	$4,180	$206,000
833783	TRUCHOICE FCU	$0	$4,179	$269,621	$4,179	$269,621

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833735	QUEENS POSTAL FCU	$0	$4,161	$169,262	$4,161	$169,262	
832047	NMA FCU	$0	$4,160	$227,477	$4,160	$227,477	
833488	ISLAND FEDERAL CREDIT UNION	$0	$4,157	$290,918	$4,157	$290,918	
832938	ACCESS FEDERAL CREDIT UNION	$0	$4,155	$236,244	$4,155	$236,244	
834070	WICHITA FALLS TEACHER FCU	$0	$4,154	$275,246	$4,154	$275,246	
832332	ESM-NS FEDERAL CREDIT UNION	$0	$4,148	$267,646	$4,148	$267,646	
827971	MACO EDUCATORS FEDERAL CREDIT UNION	$0	$4,145	$171,373	$4,145	$171,373	
832520	PEOPLES FCU	$0	$4,138	$256,133	$4,138	$256,133	
834108	PARTNERS FCU	$0	$4,135	$245,995	$4,135	$245,995	
829385	CITIES CREDIT UNION	$0	$4,121	$165,185	$4,121	$165,185	
833317	OHIO EDISON-PENN POWER CU	$0	$4,106	$261,284	$4,106	$261,284	
830936	PEPPERELL BANK & TRUST	$0	$4,075	$239,695	$4,075	$239,695	
818609	PORT WASHINGTON STATE BANK	$0	$4,054	$253,639	$4,054	$253,639	
804860	M&I BANK	$0	$4,032	$4,032	$0		
832712	KANSAS TEACHERS CREDIT UNION	$0	$4,031	$125,054	$4,031	$125,054	
833155	FRANCISCAN SKEMP CREDIT UNION	$0	$4,029	$248,637	$4,029	$248,637	
832874	NIAGARA WHEATFIELD FCU	$0	$4,016	$165,585	$4,016	$165,585	
816028	POSTMARK CREDIT UNION	$0	$4,014	$253,158	$4,014	$253,158	
832820	TRONA VALLEY FCU	$0	$4,010	$113,262	$4,010	$113,262	
832470	SNO FALLS CREDIT UNION	$0	$4,004	$133,676	$4,004	$133,676	
832389	RIVER VALLEY CREDIT UNION	$0	$3,995	$175,218	$3,995	$175,218	
828216	PUBLIC EMPLOYEES CREDIT UNION	$0	$3,992	$274,743	$3,992	$274,743	
831392	ALLCO CREDIT UNION	$0	$3,983	$278,867	$3,983	$278,867	
823964	UNION BANK & TRUST CO	$0	$3,971	$248,854	$3,971	$248,854	
822446	MEMBER'S CHOICE OF CENTRAL TX FCU	$0	$3,970	$188,326	$3,970	$188,326	
833158	EMPLOYMENT SECURITY CREDIT UNION	$0	$3,964	$198,698	$3,964	$198,698	
830350	EASTMILL FEDERAL CREDIT UNION	$0	$3,948	$201,428	$3,948	$201,428	
802261	EGLIN FEDERAL CREDIT UNION	$0	$3,940	$220,584	$3,940	$220,584	
822349	CITIZENS NATIONAL BANK	$0	$3,939	$277,209	$3,939	$277,209	
822605	CES CREDIT UNION INC	$0	$3,938	$266,733	$3,938	$266,733	
806279	LAKE REGION BANK	$0	$3,936	$227,713	$3,936	$227,713	
832291	P & C EMPLOYEES FCU	$0	$3,930	$182,284	$3,930	$182,284	
833049	NEW HAMPSHIRE POSTAL CU	$0	$3,929	$308,982	$3,929	$308,982	

808467	MINDEN EXCHANGE BANK & TRUST COMPAN	$0	$3,910	$205,569	$3,910	$205,569
806964	FIRST COMMUNITY BANK	$0	$3,898	$3,898	$0	
833050	WESTCO FCU	$0	$3,889	$246,241	$3,889	$246,241
809978	S A M P SCRANTON FCU	$0	$3,878	$3,878	$0	
815661	PANTEX FEDERAL CREDIT UNION	$0	$3,874	$159,635	$3,874	$159,635
834030	LAKES AREA CU	$0	$3,855	$232,292	$3,855	$232,292
829324	STARK FEDERAL CREDIT UNION	$0	$3,854	$262,262	$3,854	$262,262
833753	PARTNERS CREDIT UNION	$0	$3,822	$165,391	$3,822	$165,391
828854	FIRST COMMUNITY CU	$0	$3,819	$186,882	$3,819	$186,882
825495	EDUCATION PLUS CREDIT UNION	$0	$3,791	$225,755	$3,791	$225,755
800062	WHITNEY NATIONAL BANK	$0	$3,788	$0	$3,788	$0
832505	FIRST PEOPLES COMMUNITY FCU	$0	$3,785	$142,665	$3,785	$142,665
832099	BILLINGS FEDERAL CREDIT UNION	$0	$3,776	$242,427	$3,776	$242,427
822093	ALTOONA BUTTERICK FCU	$0	$3,767	$128,880	$3,767	$128,880
833680	ALTURA CREDIT UNION	$0	$3,766	$249,642	$3,766	$249,642
820828	MEMPHIS AREA TEACHERS CREDIT UNION	$0	$3,763	$244,682	$3,763	$244,682
829179	MAINE EDUCATION CREDIT UNION	$0	$3,763	$164,842	$3,763	$164,842
832085	OMAHA DOUGLAS FCU	$0	$3,761	$252,695	$3,761	$252,695
830717	DAKOTA TERRITORY FEDERAL CREDIT UNI	$0	$3,758	$172,747	$3,758	$172,747
833656	POINT PLUS CREDIT UNION	$0	$3,747	$234,831	$3,747	$234,831
810546	FIRST NATIONAL BANK SOUTH DAKOTA	$0	$3,729	$91,857	$3,729	$91,857
824566	VISIONARY FEDERAL CREDIT UNION	$0	$3,727	$235,035	$3,727	$235,035
833836	SOUTHWEST OKLAHOMA FCU	$0	$3,726	$244,393	$3,726	$244,393
834225	STUDENT LENDING WORKS INC	$57	$3,667	$0	$3,724	$0
828143	CAMBRIA COUNTY FEDERAL SAVINGS & LO	$0	$3,720	$204,516	$3,720	$204,516
826528	FIDELITY DEPOSIT & DISCOUNT BANK	$0	$3,715	$0	$3,715	$0
834233	CANISIUS COLLEGE	$0	$3,707	$3,707	$0	
833406	FOREST PARK FEDERAL CREDIT UNION	$0	$3,705	$82,921	$3,705	$82,921
829981	LOUVIERS FEDERAL CREDIT UNION	$0	$3,692	$123,423	$3,692	$123,423
805806	GREATER WATERVILLE AREA FCU	$0	$3,671	$211,535	$3,671	$211,535
833483	CANANDAIGUA SCHOOL DISTRICT FCU	$0	$3,666	$135,358	$3,666	$135,358
830883	VERMILLION FEDERAL CREDIT UNION	$0	$3,661	$177,114	$3,661	$177,114
810427	BANK STAR FINANCIAL	$0	$3,656	$164,010	$3,656	$164,010
808682	THE EDUCATION CREDIT UNION INC	$0	$3,654	$129,774	$3,654	$129,774
810450	FARMERS STATE BANK	$0	$3,633	$131,269	$3,633	$131,269
813377	GREATER GREENSBURG INDUSTRIAL CR UN	$0	$3,631	$189,575	$3,631	$189,575
832218	HOWLAND-ENFIELD FEDERAL CREDIT UNIO	$0	$3,628	$178,986	$3,628	$178,986
822096	BORDER TRUST COMPANY	$0	$3,625	$477,763	$3,625	$477,763
827735	BANK OF WHITMAN	$0	$3,622	$324,650	$3,622	$324,650
831030	CENTRAL MINNESOTA FCU	$0	$3,589	$5,579	$3,589	$5,579

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
810416	CITIZENS STATE BANK	$0	$3,572	$191,199	$3,572	$191,199	
806529	STATE BANK OF CHANDLER	$0	$3,569	$195,887	$3,569	$195,887	
810900	THE HONDO NATIONAL BANK	$0	$3,547	$104,899	$3,547	$104,899	
832028	COLUMBIA-GREENE FEDERAL CREDIT UNIO	$0	$3,535	$180,814	$3,535	$180,814	
831655	NEWAYGO COUNTY SERVICE ECU	$0	$3,532	$127,404	$3,532	$127,404	
831407	KIMCENTRAL CREDIT UNION	$0	$3,516	$195,442	$3,516	$195,442	
812757	HEARTLAND STATE BANK	$0	$3,514	$144,506	$3,514	$144,506	
820105	COMMERCIAL BANK	$0	$3,479	$202,322	$3,479	$202,322	
832952	WOODLANDS CREDIT UNION	$0	$3,479	$315,372	$3,479	$315,372	
834184	FREEDOM CU	$0	$3,478	$328,244	$3,478	$328,244	
813494	NORTHWEST SAVINGS BANK	$0	$3,476	$0	$3,476	$0	
833713	SOO LINE CREDIT UNION	$0	$3,475	$158,576	$3,475	$158,576	
833514	CUMCO FEDERAL CREDIT UNION	$0	$3,463	$178,168	$3,463	$178,168	
827203	SECURITY NATIONAL LIFE INS CO	$0	$3,456	$17,063	$3,456	$17,063	
828913	NORTHWEST SAVINGS BANK	$0	$3,450	$0	$3,450	$0	
805147	JPMORGAN CHASE BANK NA	$0	$3,450	$47,278	$3,450	$47,278	
813146	FAMILY COMMUNITY CREDIT UNION	$0	$3,443	$131,890	$3,443	$131,890	
831933	FIRST NATIONAL BANK OF COKATO	$0	$3,416	$143,055	$3,416	$143,055	
829210	ROANOKE POSTAL EMPLOYEES F C U	$0	$3,378	$3,378	$0		
832455	ROCKLAND S&L ASSOCIATION	$0	$3,377	$181,265	$3,377	$181,265	
830232	KENT CREDIT UNION	$0	$3,367	$199,843	$3,367	$199,843	
832061	SOUTHEAST NEBRASKA FEDERAL CREDIT U	$0	$3,364	$180,561	$3,364	$180,561	
834147	HAWTHORNE CU	$0	$3,358	$114,306	$3,358	$114,306	
833801	OHIO VALLEY FCU	$0	$3,349	$113,551	$3,349	$113,551	
833534	MIDLAND CO-OP CREDIT UNION	$0	$3,345	$84,262	$3,345	$84,262	
820283	FIRST COMMONWEALTH BANK	$0	$3,337	$4,364	$3,337	$4,364	
820002	GOLDEN CIRCLE CREDIT UNION INC	$0	$3,336	$162,381	$3,336	$162,381	
834039	WELLS FARGO ELT AMERICAN OPTOMETRIC	$0	$3,335	$3,335	$0		
808435	SPIRIT OF AMERICA FCU	$0	$3,325	$186,424	$3,325	$186,424	
818790	POSTAL FEDERAL COMMUNITY CREDIT UNI	$0	$3,325	$187,297	$3,325	$187,297	
819675	MINNWEST BANK SOUTH	$0	$3,321	$94,964	$3,321	$94,964	
824329	AMARILLO COMMUNITY FEDERAL CREDIT U	$0	$3,320	$195,705	$3,320	$195,705	
805805	DOWN EAST FCU	$0	$3,306	$216,231	$3,306	$216,231	

810973	BRADY NATIONAL BANK	$0	$3,303	$219,154	$3,303	$219,154
832811	COMMUNITY RESOURCE FCU	$0	$3,295	$124,654	$3,295	$124,654
831485	DUPONT GOODRICH FCU	$0	$3,292	$190,549	$3,292	$190,549
805735	THE COUNTY FEDERAL CREDIT UNION	$0	$3,287	$199,112	$3,287	$199,112
832930	MONAD FEDERAL CREDIT UNION	$0	$3,274	$71,436	$3,274	$71,436
832333	SYRACUSE FCU	$0	$3,264	$195,790	$3,264	$195,790
829743	OAKLAND COUNTY EMPLOYEES CU	$0	$3,262	$156,613	$3,262	$156,613
834185	US BANK ELT TX ASSC COMM COLLEGES	$0	$3,246	$1,153	$3,246	$1,153
832912	BCE FEDERAL CREDIT UNION	$0	$3,244	$120,925	$3,244	$120,925
804912	CREDIT UNION OF AMERICA	$0	$3,237	$235,180	$3,237	$235,180
833822	IRCO COMMUNITY FCU	$0	$3,223	$139,099	$3,223	$139,099
832940	MCKINNEY SCRANTON FCU	$0	$3,221	$124,668	$3,221	$124,668
832873	CINCINNATI EMPLOYEES CU	$0	$3,219	$179,989	$3,219	$179,989
832062	TCT FEDERAL CREDIT UNION	$0	$3,187	$182,543	$3,187	$182,543
820130	MARKESAN STATE BANK	$0	$3,164	$101,536	$3,164	$101,536
832453	ST HELENS COMMUNITY FEDERAL CREDIT	$0	$3,161	$107,955	$3,161	$107,955
806566	STEARNS BANK NA	$0	$3,159	$110,435	$3,159	$110,435
833612	TRI-CO FEDERAL CREDIT UNION	$0	$3,137	$227,005	$3,137	$227,005
820104	UNITY BANK	$0	$3,134	$135,619	$3,134	$135,619
828947	WYSE FEDERAL CREDIT UNION	$0	$3,132	$131,572	$3,132	$131,572
821656	FIRST FEDERAL SAVINGS & LOAN ASSOCI	$0	$3,126	$158,292	$3,126	$158,292
832791	U S EMPLOYEES CREDIT UNION	$0	$3,116	$69,948	$3,116	$69,948
806465	PEOPLES STATE BANK OF WELLS	$0	$3,107	$233,897	$3,107	$233,897
828966	UNION ELECTRIC STEEL FED CREDIT UN	$0	$3,101	$3,101	$0	
810420	COMMUNITY BANK	$0	$3,091	$130,073	$3,091	$130,073
832242	FOUNDERS FEDERAL CREDIT UNION	$0	$3,083	$231,406	$3,083	$231,406
824911	FLOODWOOD AREA CREDIT UNION	$0	$3,062	$57,136	$3,062	$57,136
815675	PALISADES FCU	$0	$2,996	$176,454	$2,996	$176,454
832346	LONG REACH EMPLOYEES FCU	$0	$2,985	$98,605	$2,985	$98,605
803928	CITIZENS STATE BANK	$0	$2,966	$93,780	$2,966	$93,780
819113	WEST MILTON STATE BANK	$0	$2,959	$0	$2,959	$0
832209	MEMBERSTRUST CREDIT UNION	$0	$2,952	$112,967	$2,952	$112,967
833125	FOUR FOUR CREDIT UNION	$0	$2,943	$174,551	$2,943	$174,551
823113	JACKSON AREA FEDERAL CREDIT UNION	$0	$2,937	$128,954	$2,937	$128,954
833712	1ST COMMUNITY FCU	$0	$2,933	$0	$2,933	$0
833715	BREWERY CREDIT UNION	$0	$2,929	$156,642	$2,929	$156,642
810406	FIRST FIDELITY BANK	$0	$2,927	$0	$2,927	$0
822427	NORTH CENTRAL CREDIT UNION	$0	$2,927	$172,249	$2,927	$172,249
833744	SHAMROCK FEDERAL CREDIT UNION	$0	$2,911	$136,411	$2,911	$136,411
822056	SPRING MILL EMP FED CR UNION	$0	$2,904	$153,460	$2,904	$153,460

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
829223	US FEDERAL CREDIT UNION	$0	$2,901	$187,738	$2,901	$187,738	
831910	NATIONAL BANK OF ANDREWS	$0	$2,884	$112,197	$2,884	$112,197	
828944	ESSA BANK & TRUST	$0	$2,884	$2,884	$0		
814668	F&M BANK & TRUST	$0	$2,882	$44,589	$2,882	$44,589	
833867	UNITED BANK OF EL PASO NORTE	$0	$2,881	$2,881	$0		
822383	SHELBY STATE BANK	$0	$2,868	$172,143	$2,868	$172,143	
833087	ST VINCENT HOSPITAL EMPLOYEES' CU	$0	$2,857	$175,348	$2,857	$175,348	
833279	PASADENA SERVICE FCU	$0	$2,857	$177,434	$2,857	$177,434	
834003	ZIONS BANK ELT EDUCATION LOAN CO	$0	$2,829	$0	$2,829	$0	
834143	ELK HORN BANK & TRUST CO	$0	$2,816	$0	$2,816	$0	
806399	GLENWOOD STATE BANK	$0	$2,805	$182,406	$2,805	$182,406	
806258	FARMERS & MERCHANTS STATE BANK	$0	$2,804	$130,599	$2,804	$130,599	
831144	JP MORGANCHASE BANK	$0	$2,796	$0	$2,796	$0	
825419	WITTENBERG UNIVERSITY FCU	$0	$2,791	$130,462	$2,791	$130,462	
832699	SELH FEDERAL CREDIT UNION	$0	$2,789	$122,278	$2,789	$122,278	
806477	UNITY BANK NORTH	$0	$2,784	$97,912	$2,784	$97,912	
800802	BOA STUDENT BANKING/CA9-169-04-01	$0	$2,783	$0	$2,783	$0	
818870	COMMUNITY STATE BANK	$0	$2,780	$2,780	$0		
822147	TEXAS TRUST CREDIT UNION	$0	$2,776	$132,488	$2,776	$132,488	
834146	NORTH MEMORIAL FCU	$0	$2,775	$84,105	$2,775	$84,105	
828639	WEXFORD COMMUNITY CU	$0	$2,747	$162,307	$2,747	$162,307	
818340	GTE FCU	$0	$2,742	$177,391	$2,742	$177,391	
803925	CITIZENS BANK	$0	$2,741	$177,748	$2,741	$177,748	
820881	FIRST STATE BANK OF ROSEMOUNT	$0	$2,739	$146,899	$2,739	$146,899	
803068	IAA CREDIT UNION	$0	$2,723	$42,327	$2,723	$42,327	
830776	SIMPLY SERVICE FCU	$0	$2,718	$117,288	$2,718	$117,288	
833618	BIG BEAR/MEMBERS FIRST CU	$0	$2,707	$159,520	$2,707	$159,520	
834169	UNION BANK ELT NAT'L ED LOAN NEW EN	$0	$2,686	$231,540	$2,686	$231,540	
832541	HERITAGE FAMILY CREDIT UNION	$0	$2,685	$181,911	$2,685	$181,911	
833358	TWO HARBORS FCU	$0	$2,685	$117,870	$2,685	$117,870	
831548	CORUS BANK	$0	$2,685	$2,685	$0		
832661	FAIRFAX COUNTY FEDERAL CREDIT UNION	$0	$2,674	$175,120	$2,674	$175,120	
833133	UNITED NATIONS FCU	$0	$2,672	$142,770	$2,672	$142,770	

832999	BANGOR HYDRO FCU	$0	$2,649	$147,969	$2,649	$147,969
832393	FIRST CHOICE CU	$0	$2,646	$180,681	$2,646	$180,681
830782	SERVICES CENTER FCU	$0	$2,642	$129,126	$2,642	$129,126
803827	THE NAPOLEON STATE BANK	$0	$2,642	$143,752	$2,642	$143,752
832098	RAVALLI COUNTY FEDERAL CREDIT UNION	$0	$2,634	$194,655	$2,634	$194,655
822654	MINER COUNTY BANK	$0	$2,627	$70,158	$2,627	$70,158
833743	RIVERVIEW FCU	$0	$2,611	$117,572	$2,611	$117,572
823966	FALLS CITY NATIONAL BANK	$0	$2,605	$162,453	$2,605	$162,453
832345	TEMPE SCHOOLS CREDIT UNION	$0	$2,603	$158,521	$2,603	$158,521
832208	NORTHERN STAR CU INC	$0	$2,602	$116,958	$2,602	$116,958
820753	BELLEVUE STATE BANK	$0	$2,594	$57,618	$2,594	$57,618
832233	CLEVELAND POLICE CREDIT UNION INC	$0	$2,593	$110,699	$2,593	$110,699
832588	BUTTE COMMUNITY FCU	$0	$2,585	$105,820	$2,585	$105,820
832388	WHITE RIVER CREDIT UNION	$0	$2,573	$68,154	$2,573	$68,154
832366	KENSINGTON VALLEY COMM CU	$0	$2,573	$128,128	$2,573	$128,128
810499	MENNO STATE BANK	$0	$2,557	$84,625	$2,557	$84,625
824462	PRIMESOURCE CREDIT UNION	$0	$2,552	$118,138	$2,552	$118,138
817970	COULEE DAM FEDERAL CREDIT UNION	$0	$2,552	$179,358	$2,552	$179,358
833549	SEBASTICOOK VALLEY FCU	$0	$2,549	$187,399	$2,549	$187,399
828684	BAKER'S FEDERAL CREDIT UNION	$0	$2,546	$110,484	$2,546	$110,484
833123	KENNEDY SPACE CENTER FEDERAL CREDIT	$0	$2,537	$130,955	$2,537	$130,955
832295	ROCKY MT LAW ENFORCEMENT FCU	$0	$2,536	$104,927	$2,536	$104,927
831131	STUDENT LOAN MARKETING ASSN LOLR	$0	$2,534	$146,673	$2,534	$146,673
832168	NICKEL STEEL FEDERAL CREDIT UNION	$0	$2,534	$86,351	$2,534	$86,351
833574	WABELLCO FEDERAL CREDIT UNION	$0	$2,530	$150,316	$2,530	$150,316
833830	CCS FEDERAL CREDIT UNION	$0	$2,525	$119,535	$2,525	$119,535
826538	VALLEY BANK	$0	$2,524	$114,529	$2,524	$114,529
813161	SAINT FRANCIS X FCU	$0	$2,518	$110,560	$2,518	$110,560
829815	PARDA FEDERAL CREDIT UNION	$0	$2,516	$133,235	$2,516	$133,235
833819	LOS ANGELES FIREMENS CU	$0	$2,500	$180,955	$2,500	$180,955
831645	DAKOTALAND FCU	$0	$2,497	$2,497	$0	
830503	FLASHER COMMUNITY CREDIT UNION	$0	$2,492	$148,604	$2,492	$148,604
832334	EXCELSIOR CREDIT UNION	$0	$2,488	$167,275	$2,488	$167,275
815862	NEW ALLIANCE BANK	$0	$2,480	$2,480	$0	
827367	MERRILL FEDERAL SAVINGS & LOAN	$0	$2,472	$173,337	$2,472	$173,337
833969	GALLUP FEDERAL CREDIT UNION	$0	$2,463	$72,036	$2,463	$72,036
832396	MEMBERS FIRST CREDIT UNION OF NH	$0	$2,454	$163,922	$2,454	$163,922
828289	FIRST CREDIT UNION	$0	$2,451	$101,555	$2,451	$101,555
832892	SPOKANE FEDERAL CREDIT UNION	$0	$2,434	$149,585	$2,434	$149,585
832681	MIDWEST INDEPENDENT BANK	$0	$2,433	$51,784	$2,433	$51,784

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
822454	FIRELANDS FEDERAL CREDIT UNION	$0	$2,430	$111,206	$2,430	$111,206	
832968	FIRST CATHOLIC FCU	$0	$2,428	$183,229	$2,428	$183,229	
833755	IRON COUNTY COMM CU	$0	$2,426	$151,347	$2,426	$151,347	
832891	FIRST EAGLE FCU	$0	$2,419	$148,570	$2,419	$148,570	
832464	BATTLE CREEK POSTAL CREDIT UNION	$0	$2,418	$92,191	$2,418	$92,191	
823585	BENTON STATE BANK	$0	$2,416	$140,884	$2,416	$140,884	
806251	EXCHANGE STATE BANK OF HILLS	$0	$2,406	$81,428	$2,406	$81,428	
833375	ATLANTIC CITY ELECTRIC CO EFCU	$0	$2,400	$158,385	$2,400	$158,385	
832773	NORTHWOOD CREDIT UNION	$0	$2,399	$82,993	$2,399	$82,993	
833787	ASSOCIATED CU OF TX	$0	$2,397	$166,807	$2,397	$166,807	
833760	WILSERV CU	$0	$2,383	$163,691	$2,383	$163,691	
806960	MONTANA STATE BANK	$0	$2,378	$113,881	$2,378	$113,881	
833566	VALLEY CREDIT UNION	$0	$2,373	$115,304	$2,373	$115,304	
833758	PEOPLES CHOICE FCU	$0	$2,370	$122,346	$2,370	$122,346	
816474	GEORGIA METHODIST FCU	$0	$2,356	$122,644	$2,356	$122,644	
829918	AIR GUARD FEDERAL CREDIT UNION	$0	$2,353	$103,958	$2,353	$103,958	
817362	BLENCOE STATE BANK	$0	$2,345	$149,803	$2,345	$149,803	
809994	SWINEFORD NATIONAL BANK	$0	$2,328	$185,537	$2,328	$185,537	
832400	FREMONT FCU	$0	$2,325	$215,391	$2,325	$215,391	
833564	CLACKAMAS COMMUNITY FCU	$0	$2,322	$143,886	$2,322	$143,886	
806208	CITIZENS NATIONAL BANK	$0	$2,312	$77,065	$2,312	$77,065	
833304	FIRST FEDERAL SVINGS & LOAN OF BATH	$0	$2,303	$152,521	$2,303	$152,521	
827966	NSWC FEDERAL CREDIT UNION	$0	$2,296	$101,265	$2,296	$101,265	
832511	MUNICIPAL EMPLOYEES & TEACHERS CU	$0	$2,292	$120,490	$2,292	$120,490	
819788	BRAINERD B N CREDIT UNION	$0	$2,292	$72,002	$2,292	$72,002	
816976	MIDFIRST BANK	$0	$2,291	$0	$2,291	$0	
832361	CREDIT UNION OF THE ROCKIES	$0	$2,286	$98,390	$2,286	$98,390	
830160	SC STUDENT LOAN CORP (TLP)	$0	$2,282	$152,192	$2,282	$152,192	
832647	FERGUSON FCU	$0	$2,279	$159,989	$2,279	$159,989	
829798	DAKOTA STAR FCU	$0	$2,276	$71,093	$2,276	$71,093	
817313	CME FEDERAL CREDIT UNION	$0	$2,270	$165,954	$2,270	$165,954	
808814	FIRST NATIONAL BANK OF BELLEVUE	$0	$2,262	$88,411	$2,262	$88,411	
832601	SAFE CREDIT UNION	$0	$2,257	$202,522	$2,257	$202,522	

806949	DUTTON STATE BANK	$0	$2,257	$94,591	$2,257	$94,591
821876	FIRST STATE BANK	$0	$2,255	$90,379	$2,255	$90,379
828793	METRO NORTH FCU	$0	$2,254	$2,254	$0	
829938	MAINE SAVINGS FCU	$0	$2,247	$2,247	$0	
833014	CORRY AREA SCHOOLS FCU	$0	$2,243	$2,243	$0	
810816	FIRST TEXAS BANK	$0	$2,223	$120,660	$2,223	$120,660
825104	WATERMARK CREDIT UNION	$0	$2,215	$151,282	$2,215	$151,282
826936	NORTHEAST CREDIT UNION	$0	$2,214	$105,058	$2,214	$105,058
833697	RIVERSIDE BEARER COUNTY FCU	$0	$2,211	$91,776	$2,211	$91,776
833369	MINNEQUA WORKS CREDIT UNION	$0	$2,196	$75,185	$2,196	$75,185
813390	KENNAMETAL EMPLOYEES FEDERAL CREDIT	$0	$2,193	$169,010	$2,193	$169,010
831078	MEMBERS UNITED CU	$0	$2,192	$147,467	$2,192	$147,467
834022	OHIO CATHOLIC FCU	$0	$2,189	$107,649	$2,189	$107,649
829845	AMERICAN CREDIT UNION—MILWAUKEE	$0	$2,177	$141,471	$2,177	$141,471
833966	UWSP CREDIT UNION	$0	$2,177	$2,177	$0	
811577	AMERICAN LAKE CREDIT UNION	$0	$2,172	$172,133	$2,172	$172,133
824825	GOLDEN PLAINS CREDIT UNION	$0	$2,168	$83,824	$2,168	$83,824
832363	ST CLARES HOSPITAL EFCU	$0	$2,167	$167,131	$2,167	$167,131
822051	SABATTUS REGIONAL CREDIT UNION	$0	$2,165	$136,885	$2,165	$136,885
833949	ALLIANCE FCU	$0	$2,160	$78,958	$2,160	$78,958
810439	FARMERS STATE BANK	$0	$2,156	$116,496	$2,156	$116,496
826820	JUSTICE FEDERAL CREDIT UNION	$0	$2,151	$133,065	$2,151	$133,065
805593	PEOPLES BANK OF ELKTON	$0	$2,146	$73,092	$2,146	$73,092
832065	URW 831 COMMUNITY FCU	$0	$2,143	$86,591	$2,143	$86,591
805899	EATON FEDERAL SAVINGS BANK	$0	$2,143	$112,968	$2,143	$112,968
817575	ALLIANCE CREDIT UNION	$0	$2,142	$148,363	$2,142	$148,363
819625	PORT CREDIT UNION	$0	$2,137	$174,307	$2,137	$174,307
833947	YORK EDUCATION FCU	$0	$2,132	$148,918	$2,132	$148,918
834130	ST. PAUL FCU	$0	$2,131	$138,159	$2,131	$138,159
819918	STATE BANK OF CROSS PLAINS	$0	$2,120	$0	$2,120	$0
830502	INFINITY FEDERAL CREDIT UNION	$0	$2,118	$2,118	$0	
832164	ENER G COMM FEDERAL CREDIT UNION	$0	$2,115	$109,966	$2,115	$109,966
832805	OUR FAMILY FEDERAL CREDIT UNION	$0	$2,115	$2,115	$0	
824716	UNITY ONE FEDERAL CREDIT UNION	$0	$2,115	$107,595	$2,115	$107,595
828970	HAZELTON SCHOOL EMPLOYEES CR UN	$0	$2,109	$2,109	$0	
832755	MEDICAL EMPLOYEES CU	$0	$2,108	$171,198	$2,108	$171,198
833000	PBC CU	$0	$2,107	$124,106	$2,107	$124,106
820879	RAY COOPERATIVE CREDIT UNION	$0	$2,100	$37,661	$2,100	$37,661
832878	EAST TRAVERSE CATHOLIC FCU	$0	$2,099	$136,613	$2,099	$136,613
832794	COMMUNITY FINANCIAL CREDIT UNION	$0	$2,097	$146,735	$2,097	$146,735

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
832473	COLUMBINE FEDERAL CREDIT UNION	$0	$2,096	$89,492	$2,096	$89,492	
832166	KELLOGG COMPANY EFCU	$0	$2,095	$129,698	$2,095	$129,698	
832232	BAY AREA CREDIT UNION INC	$0	$2,090	$77,942	$2,090	$77,942	
832910	CITY CREDIT UNION	$0	$2,089	$139,957	$2,089	$139,957	
833493	FIRST LOCKHART NATIONAL BANK	$0	$2,079	$81,717	$2,079	$81,717	
816128	DENVER FIRE DEPT FCU	$0	$2,070	$122,346	$2,070	$122,346	
833338	WESTEX FEDERAL CREDIT UNION	$0	$2,064	$101,657	$2,064	$101,657	
805088	FARMERS STATE BANK & TRUST CO	$0	$2,061	$145,210	$2,061	$145,210	
832236	LOS ANGELES FEDERAL CREDIT UNION	$0	$2,058	$188,860	$2,058	$188,860	
810004	FARMERS NAT'L BANK OF NEWVILLE	$0	$2,040	$129,162	$2,040	$129,162	
825043	SUPERIOR FCU	$0	$2,038	$101,049	$2,038	$101,049	
833547	AMERICAN 1 FCU	$0	$2,035	$132,903	$2,035	$132,903	
820891	NECEDAH BANK	$0	$2,034	$107,914	$2,034	$107,914	
813157	PENINSULA FEDERAL CREDIT UNION	$0	$2,032	$0	$2,032	$0	
826512	ADVANTAGE BANK	$0	$2,027	$233,167	$2,027	$233,167	
834252	LINDENWOOD UNIVERSITY	$0	$2,021	$0	$2,021	$0	
833215	GREAT FALLS REGIONAL FCU	$0	$2,017	$120,745	$2,017	$120,745	
832444	NORTHWEST ADVENTIST FCU	$0	$2,007	$71,753	$2,007	$71,753	
814435	JAX FEDERAL CREDIT UNION	$0	$2,006	$132,300	$2,006	$132,300	
808758	THE FARMERS & MERCHANTS BANK	$0	$2,000	$207,362	$2,000	$207,362	
833811	TYCO FCU	$0	$1,991	$58,865	$1,991	$58,865	
827438	MIDLAND FEDERAL S&L	$0	$1,990	$124,214	$1,990	$124,214	
806232	CLINTON STATE BANK	$0	$1,985	$89,024	$1,985	$89,024	
831120	INNER LAKES FEDERAL CREDIT UNION	$0	$1,981	$93,425	$1,981	$93,425	
833381	LOS ANGELES POLICE FCU	$0	$1,980	$149,418	$1,980	$149,418	
818576	OAHE FEDERAL CREDIT UNION	$0	$1,972	$109,428	$1,972	$109,428	
833467	GENCO FEDERAL CREDIT UNION	$0	$1,970	$64,537	$1,970	$64,537	
832227	SKY FCU	$0	$1,968	$132,486	$1,968	$132,486	
824919	CATHOLIC FEDERAL CREDIT UNION	$0	$1,968	$1,968	$0		
823823	ANNANDALE STATE BANK	$0	$1,962	$68,506	$1,962	$68,506	
807025	WESTERN BANK OF WOLF POINT	$0	$1,949	$1,949	$0		
833800	CONCORD DIABLO FCU	$0	$1,949	$156,110	$1,949	$156,110	
821561	HAMLER STATE BANK	$0	$1,947	$132,904	$1,947	$132,904	

825489	THE SAVINGS BANK	$0	$1,929	$129,015	$1,929	$129,015
822613	CENTRAL PA SAVINGS ASSOCIATION	$0	$1,922	$98,465	$1,922	$98,465
833692	PARTNERS FINANCIAL FCU	$0	$1,919	$109,416	$1,919	$109,416
831596	APL FEDERAL CREDIT UNION	$0	$1,909	$96,746	$1,909	$96,746
826625	NORTHLAND AREA FEDERAL CREDIT UNION	$0	$1,904	$1,904	$0	
830301	RIVER CITY FEDERAL CREDIT UNION	$0	$1,891	$90,561	$1,891	$90,561
816874	SOUTHEASTERN FEDERAL CREDIT UNION	$0	$1,881	$121,487	$1,881	$121,487
827930	FIRST DAY FINANCIAL CU	$0	$1,879	$140,923	$1,879	$140,923
819655	US EMPLOYEES OC FCU	$0	$1,877	$75,703	$1,877	$75,703
810738	AMEGY BANK NA	$0	$1,867	$130,884	$1,867	$130,884
831750	BEACH MUNICIPAL EFCU	$0	$1,863	$121,304	$1,863	$121,304
827044	COMMUNITY FIRST BANK	$0	$1,861	$1,861	$0	
832474	ALABAMA TELCO CREDIT UNION	$0	$1,853	$119,052	$1,853	$119,052
804743	M&I BANK	$0	$1,849	$36,974	$1,849	$36,974
826931	FIRST MIDWEST BANK OF POPLAR BLUFF	$0	$1,849	$45,683	$1,849	$45,683
810123	M&T BANK EDUCATIONAL LENDING	$0	$1,839	$1,839	$0	
832518	FIRST COMMERCIAL BANK N A	$0	$1,833	$0	$1,833	$0
833343	BLUEBONNET FEDERAL CREDIT UNION	$0	$1,822	$123,404	$1,822	$123,404
829836	NORTHWEST GEORGIA CREDIT UNION	$0	$1,820	$133,964	$1,820	$133,964
833059	OKLAHOMA STUDENT LOAN AUTHORITY	$0	$1,812	$100,840	$1,812	$100,840
814827	AIR ACADEMY FCU	$0	$1,806	$50,532	$1,806	$50,532
832298	DELTA COUNTY FCU	$0	$1,779	$79,742	$1,779	$79,742
828737	COUNTYWIDE FEDERAL CREDIT UNION	$0	$1,775	$63,529	$1,775	$63,529
832814	MALHEUR FEDERAL CREDIT UNION	$0	$1,773	$96,657	$1,773	$96,657
832266	ABNB FCU	$0	$1,772	$125,053	$1,772	$125,053
833532	SHAMROCK BANK	$0	$1,770	$77,567	$1,770	$77,567
826830	FIRST SOUTH CU	$0	$1,764	$126,395	$1,764	$126,395
830989	LAKESIDE CREDIT UNION	$0	$1,758	$122,284	$1,758	$122,284
831978	MICHIGAN CATHOLIC CU	$0	$1,755	$60,044	$1,755	$60,044
833476	PLYMOUTH COUNTY TEACHERS FCU	$0	$1,754	$128,712	$1,754	$128,712
810398	ANDES STATE BANK	$0	$1,745	$77,571	$1,745	$77,571
815584	NORTH ALABAMA EDUCATORS CU	$0	$1,742	$54,976	$1,742	$54,976
832276	SEASONS FCU	$0	$1,734	$90,134	$1,734	$90,134
826094	MONTANA FIRST CREDIT UNION	$0	$1,727	$1,727	$0	
817326	HANCOCK COUNTY SAVINGS BANK FSB	$0	$1,720	$2,564	$1,720	$2,564
832312	ROME TEACHERS FCU	$0	$1,719	$102,479	$1,719	$102,479
832700	ROANOKE COUNTY SCHOOL EFCU	$0	$1,718	$98,714	$1,718	$98,714
814657	LOUISIANA CATHOLIC FCU	$0	$1,707	$70,109	$1,707	$70,109
827945	MASON NATIONAL BANK	$0	$1,701	$52,907	$1,701	$52,907
815517	MEMBERS FIRST CU OF FLORIDA	$0	$1,694	$104,428	$1,694	$104,428

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
832162	BUFFALO FIRE DEPARTMENT FCU	$0	$1,691	$101,101	$1,691	$101,101	
818163	COMTRUST FCU	$0	$1,689	$175,823	$1,689	$175,823	
806947	DANIELS-SHERIDAN FCU	$0	$1,683	$46,113	$1,683	$46,113	
831556	MCCONE COUNTY FCU	$0	$1,674	$72,554	$1,674	$72,554	
804078	HOME STATE BANK	$0	$1,673	$70,115	$1,673	$70,115	
831764	GREATER MILWAUKEE CU	$0	$1,673	$121,972	$1,673	$121,972	
818170	FARGO VA FEDERAL CREDIT UNION	$0	$1,672	$62,936	$1,672	$62,936	
818120	FERGUS COUNTY FEDERAL CREDIT UNION	$0	$1,671	$80,421	$1,671	$80,421	
832735	ARLINGTON VIRGINIA FCU	$0	$1,662	$78,865	$1,662	$78,865	
829529	VAN CORTLANDT COOP FCU	$0	$1,643	$95,774	$1,643	$95,774	
824001	WEST SPRINGFIELD FCU	$0	$1,641	$87,004	$1,641	$87,004	
823366	HEW EMPLOYEES FCU	$0	$1,641	$5,013	$1,641	$5,013	
830918	TURTLE CREEK FEDERAL CREDIT UNION	$0	$1,640	$85,299	$1,640	$85,299	
832628	HOPKINS SCHOOLS CREDIT UNION	$0	$1,633	$84,194	$1,633	$84,194	
834139	FRANKLIN COUNTY TEACHERS CU	$0	$1,633	$137,025	$1,633	$137,025	
833481	COSDEN EMPLOYEES FEDERAL CREDIT UNI	$0	$1,631	$48,583	$1,631	$48,583	
813776	VERMONT STATE EMPLOYEES CREDIT UNIO	$0	$1,630	$163,517	$1,630	$163,517	
832468	COMMUNITY EDUCATORS CREDIT UNION	$0	$1,629	$102,193	$1,629	$102,193	
832860	TELEPHONE CREDIT UNION OF NEW HAMPS	$0	$1,626	$112,165	$1,626	$112,165	
833823	HIGHGROVE COMMUNITY FCU	$0	$1,624	$96,336	$1,624	$96,336	
833706	COMO NORTHTOWN COMM CU	$0	$1,623	$58,720	$1,623	$58,720	
832564	SCHOOL DISTRICT #3 FCU	$0	$1,618	$64,738	$1,618	$64,738	
814667	UNISTAR FEDERAL CREDIT UNION	$0	$1,617	$90,202	$1,617	$90,202	
832321	YAVAPAI FEDERAL CREDIT UNION	$0	$1,615	$42,992	$1,615	$42,992	
818365	ATLANTIC COAST CREDIT UNION	$0	$1,612	$120,309	$1,612	$120,309	
833826	HARLINGEN AREA TEACHERS FCU	$0	$1,612	$65,316	$1,612	$65,316	
833782	BOWDOINHAM FCU	$0	$1,608	$61,769	$1,608	$61,769	
819311	BAY ATLANTIC FCU	$0	$1,605	$87,068	$1,605	$87,068	
829217	BANK OF SALEM	$0	$1,601	$40,369	$1,601	$40,369	
832670	EPA CREDIT UNION	$0	$1,594	$70,431	$1,594	$70,431	
816570	MIDSOUTH FEDERAL CREDIT UNION	$0	$1,587	$94,114	$1,587	$94,114	
832941	PENNSTAR FCU	$0	$1,559	$1,559	$0		
828512	EMERALD GROUP CU INC	$0	$1,558	$75,318	$1,558	$75,318	

828080	WCTA FEDERAL CREDIT UNION	$0	$1,557	$250,377	$1,557	$250,377
810723	BIG SPRING EDUCATION EFCU	$0	$1,556	$77,018	$1,556	$77,018
818831	AMERICA'S CHRISTIAN CREDIT UNION	$0	$1,552	$94,788	$1,552	$94,788
832909	CASCADE COMMUNITY FCU	$0	$1,551	$91,351	$1,551	$91,351
832424	COMMUNITY 1 FCU	$0	$1,544	$61,988	$1,544	$61,988
832463	HARVEST FEDERAL CU	$0	$1,540	$59,458	$1,540	$59,458
811938	ASSOCIATED BANK NA	$0	$1,536	$1,536	$0	
810522	ROBERTS COUNTY NATIONAL BANK OF SIS	$0	$1,529	$96,395	$1,529	$96,395
827544	CONTINENTAL NATIONAL BANK	$0	$1,529	$60,745	$1,529	$60,745
833521	STRUTHERS FCU	$0	$1,528	$61,891	$1,528	$61,891
830673	COUNTY CREDIT UNION	$0	$1,527	$95,943	$1,527	$95,943
833516	SUN PACIFIC FEDERAL CREDIT UNION	$0	$1,526	$113,905	$1,526	$113,905
832827	CHESHIRE COUNTY FCU	$0	$1,525	$53,546	$1,525	$53,546
833379	FORT SNELLING FCU	$0	$1,519	$85,935	$1,519	$85,935
833023	TELEPHONE WORKERS CREDIT UNION	$0	$1,519	$102,622	$1,519	$102,622
832108	KEMBA FINANCIAL CU	$0	$1,519	$156,222	$1,519	$156,222
827064	LA CAPITOL FEDERAL CREDIT UNION	$0	$1,517	$108,630	$1,517	$108,630
834138	WELLS FARGO ELT CALIFORNIA DENTAL A	$0	$1,513	$1,513	$0	
834122	MOUNTAIN HIGH FCU	$0	$1,511	$86,267	$1,511	$86,267
833391	COOS EDUCATORS FEDERAL CREDIT UNION	$0	$1,508	$40,780	$1,508	$40,780
822169	FIRST FEDERAL SAVINGS & LOAN ASSO	$0	$1,505	$37,454	$1,505	$37,454
822927	ADVANTAGE BANK	$0	$1,501	$19,348	$1,501	$19,348
819591	CELCO FEDERAL CREDIT UNION	$0	$1,493	$64,772	$1,493	$64,772
831783	COMMUNITY CHOICE CREDIT UNION	$0	$1,493	$26,776	$1,493	$26,776
828811	GREATER TEXAS FCU	$0	$1,492	$105,370	$1,492	$105,370
830500	GRANT COUNTY COMMUNITY FCU	$0	$1,492	$71,864	$1,492	$71,864
833829	MPO FCU	$0	$1,492	$96,850	$1,492	$96,850
833234	MARTIN FEDERAL CREDIT UNION	$0	$1,486	$58,788	$1,486	$58,788
833550	THE RICHMOND POSTAL CU	$0	$1,483	$113,406	$1,483	$113,406
827781	OAK TRUST CU	$0	$1,472	$117,060	$1,472	$117,060
819366	FIRST STATE BANK OF CLAREMONT	$0	$1,469	$38,875	$1,469	$38,875
825247	EASTERN PITTSBURGH BELL FEDERAL C U	$0	$1,466	$79,482	$1,466	$79,482
832925	KONE EMPLOYEES CREDIT UNION	$0	$1,460	$111,006	$1,460	$111,006
833409	HIGH PEAKS FCU	$0	$1,460	$52,654	$1,460	$52,654
831888	DACOTAH FEDERAL CREDIT UNION	$0	$1,457	$82,810	$1,457	$82,810
833473	POINT LOMA CREDIT UNION	$0	$1,453	$90,270	$1,453	$90,270
812091	SOUTH JERSEY FCU	$0	$1,450	$1,450	$0	
815469	FAMILY SECURITY CREDIT UNION	$0	$1,446	$116,606	$1,446	$116,606
826236	ALLIANCE CREDIT UNION	$0	$1,440	$94,321	$1,440	$94,321
828760	M & T BANK EDUCATIONAL LENDING	$0	$1,418	$1,418	$0	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
806562	F & M BANK OF SPRINGFIELD MORGAN O	$0	$1,412	$49,773	$1,412	$49,773	
826201	POSTAL FAMILY FEDERAL CREDIT UNION	$0	$1,411	$113,771	$1,411	$113,771	
817766	RICHLAND FEDERAL CREDIT UNION	$0	$1,410	$79,128	$1,410	$79,128	
832239	MIDWEST UNITED CREDIT UNION	$0	$1,407	$64,918	$1,407	$64,918	
813618	FREEPORT STATE BANK—STEVE NOTCH	$0	$1,401	$72,757	$1,401	$72,757	
834032	TITAN FCU	$0	$1,399	$105,301	$1,399	$105,301	
833219	FIRST BRISTOL FEDERAL CREDIT UNION	$0	$1,396	$63,866	$1,396	$63,866	
833696	CALAIS FEDERAL S&L	$0	$1,380	$140,864	$1,380	$140,864	
833716	LEHIGH VALLEY FCU	$0	$1,378	$75,060	$1,378	$75,060	
818644	WESTERN DAKOTA BANK	$0	$1,377	$50,252	$1,377	$50,252	
832280	MEMBERS CREDIT UNION	$0	$1,374	$197,504	$1,374	$197,504	
833427	SARASOTA COASTAL CU	$0	$1,373	$86,411	$1,373	$86,411	
833539	BAYOU FEDERAL CREDIT UNION	$0	$1,370	$32,153	$1,370	$32,153	
832261	MCAS BEAUFORT CREDIT UNION	$0	$1,348	$67,064	$1,348	$67,064	
834008	HIGH DESERT FCU	$0	$1,341	$42,362	$1,341	$42,362	
831966	TRANSMISSION BUILDERS FEDERAL CREDI	$0	$1,337	$36,846	$1,337	$36,846	
834031	NEIGHBORS FCU	$0	$1,328	$38,983	$1,328	$38,983	
833559	N. MASS TELEPHONE WORKERS CU	$0	$1,328	$91,035	$1,328	$91,035	
830400	COLONIAL SAVINGS F A	$0	$1,324	$76,290	$1,324	$76,290	
833747	ATLANTIC FCU	$0	$1,321	$133,331	$1,321	$133,331	
810446	FARMERS STATE BANK	$0	$1,313	$1,313	$0		
833635	CENTRAL STAR CREDIT UNION	$0	$1,313	$54,394	$1,313	$54,394	
805737	CASCO FEDERAL CREDIT UNION	$0	$1,298	$97,687	$1,298	$97,687	
831997	BANK OF EASTERN IDAHO	$0	$1,295	$162,380	$1,295	$162,380	
832521	COLLEGEDALE CREDIT UNION	$0	$1,295	$67,659	$1,295	$67,659	
833303	BULLDOG FEDERAL CREDIT UNION	$0	$1,293	$72,072	$1,293	$72,072	
833437	1ST UNIVERSITY CU GARY PARKER	$0	$1,291	$1,291	$0		
833775	EAST OHIO UNITED METHODIST CONF CU	$0	$1,288	$80,458	$1,288	$80,458	
828845	FBC FCU	$0	$1,283	$1,283	$0		
834254	FIFTH THIRD ELT STUDENT LEND WORKS	$0	$1,256	$0	$1,256	$0	
825033	MN HIGHER EDUCATION SERVICES OFFICE	$0	$1,254	$127,227	$1,254	$127,227	
828482	SECURITY BANK	$0	$1,254	$1,254	$0		
824122	WISCOR CREDIT UNION	$0	$1,250	$75,351	$1,250	$75,351	

810488	FT RANDALL FEDERAL CREDIT UNION	$0	$1,250	$76,502	$1,250	$76,502
831508	CONSUMERS FEDERAL CREDIT UNION	$0	$1,243	$45,209	$1,243	$45,209
832394	ACCO PRINCETON FCU	$0	$1,242	$91,554	$1,242	$91,554
815822	ALCOA PITTSBURGH FCU	$0	$1,231	$81,865	$1,231	$81,865
833144	KEY BANK NA	$0	$1,226	$1,635,695	$1,226	$1,635,695
821866	M&I BANK FSB	$0	$1,224	$72,137	$1,224	$72,137
833039	AMALGAMATED CREDIT UNION	$0	$1,221	$85,125	$1,221	$85,125
823688	FIRST SECURITY BANK OF ROUNDUP	$0	$1,214	$63,200	$1,214	$63,200
800023	WACHOVIA BANK NA	$0	$1,209	$1,209	$0	
818749	FIRST TRUST AND SAVINGS BANK	$0	$1,208	$66,302	$1,208	$66,302
832344	PENOBSCOT FCU	$0	$1,206	$86,781	$1,206	$86,781
833177	U A L U FCU	$0	$1,199	$1,199	$0	
832121	EXTRACO BANKS N.A$0	$1,198	$59,414	$1,198	$59,414	
810485	FIRST STATE BANK OF WARNER	$0	$1,195	$43,454	$1,195	$43,454
801943	SPACE AGE FEDERAL CREDIT UNION	$0	$1,190	$82,933	$1,190	$82,933
833470	SANTA ANA FCU	$0	$1,185	$77,799	$1,185	$77,799
832146	TOLEDO METRO FEDERAL CREDIT UNION	$0	$1,185	$81,869	$1,185	$81,869
815953	SUNRISE BANK DAKOTA	$0	$1,184	$60,432	$1,184	$60,432
830713	WOODSTONE CREDIT UNION	$0	$1,182	$67,877	$1,182	$67,877
828873	WASHINGTON TELEPHONE FCU	$0	$1,182	$83,943	$1,182	$83,943
829535	WOLF POINT FEDERAL CREDIT UNION	$0	$1,181	$49,561	$1,181	$49,561
834080	FULTON BANK	$0	$1,177	$51,315	$1,177	$51,315
824700	SANBORN SAVINGS BANK	$0	$1,175	$18,938	$1,175	$18,938
810444	FARMERS STATE BANK	$0	$1,173	$0	$1,173	$0
818417	LACAMAS COMMUNITY CREDIT UNION	$0	$1,172	$54,712	$1,172	$54,712
806268	EASTWOOD BANK—ROCHESTER	$0	$1,171	$0	$1,171	$0
833690	NORTHERN LIGHTS FCU	$0	$1,171	$1,171	$0	
825297	CORTRUST BANK	$0	$1,165	$1,165	$0	
833629	CHOCOLATE BAYOU COMM FCU	$0	$1,161	$71,170	$1,161	$71,170
832851	KNOXVILLE POST OFFICE CREDIT UNION	$0	$1,155	$33,554	$1,155	$33,554
832972	GESA CU	$0	$1,146	$61,501	$1,146	$61,501
804538	FIRST NATIONAL BANK OF OLATHE	$0	$1,146	$1,146	$0	
832297	SOUTH CAROLINA TELCO FCU	$0	$1,137	$48,947	$1,137	$48,947
833468	MEADOWS CREDIT UNION	$0	$1,136	$65,996	$1,136	$65,996
832419	STAMFORD CREDIT UNION INC	$0	$1,133	$100,871	$1,133	$100,871
803968	DUBUQUE BANK & TRUST COMPANY	$0	$1,132	$352	$1,132	$352
832813	KASTCO CREDIT UNION	$0	$1,121	$1,121	$0	
824210	ITT EMPLOYEES (FT WAYNE DIV) FCU	$0	$1,119	$110,202	$1,119	$110,202
832969	JACKSON CITY COUNTY CU	$0	$1,117	$40,103	$1,117	$40,103
813509	M & T BANK EDUCATIONAL LENDING	$0	$1,113	$31,832	$1,113	$31,832

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
811010	WEST TEXAS STATE BANK	$0	$1,112	$5,829	$1,112	$5,829	
830849	ST VRAIN VALLEY CREDIT UNION	$0	$1,110	$105,227	$1,110	$105,227	
833060	CHELSEA EMPLOYEES FCU	$0	$1,109	$66,554	$1,109	$66,554	
805182	UNION BANK	$0	$1,105	$73,020	$1,105	$73,020	
834038	OAK BANK	$0	$1,102	$41,301	$1,102	$41,301	
833577	AMERICA FAMILY FCU	$0	$1,097	$6,625	$1,097	$6,625	
833370	SCHOOL SYSTEMS FEDERAL CREDIT UNION	$0	$1,096	$110,468	$1,096	$110,468	
832896	CWA LONG ISLAND FCU	$0	$1,095	$84,543	$1,095	$84,543	
809444	DOWNINGTOWN NATIONAL BANK	$0	$1,093	$1,093	$0		
834200	ARMSTRONG ASSOCIATES FCU	$0	$1,087	$94,680	$1,087	$94,680	
833606	LEADERS CREDIT UNION	$0	$1,086	$32,225	$1,086	$32,225	
819542	THINK FCU	$0	$1,080	$1,080	$0		
832336	CONSUMERS PROFESSIONAL CU	$0	$1,072	$70,252	$1,072	$70,252	
812141	FARMERS EXCHANGE BANK	$0	$1,066	$44,946	$1,066	$44,946	
810886	GRAHAM NATIONAL BANK	$0	$1,064	$42,512	$1,064	$42,512	
828033	FIRST NATIONAL BANK OF LEESPORT	$0	$1,063	$0	$1,063	$0	
833272	ALAMEDA CREDIT UNION	$0	$1,054	$32,197	$1,054	$32,197	
832971	BEACON FEDERAL	$0	$1,053	$69,174	$1,053	$69,174	
829797	SENTINEL FEDERAL CREDIT UNION	$0	$1,045	$0	$1,045	$0	
818491	PEOPLES STATE BANK	$0	$1,045	$1,045	$0		
832828	ALTOONA VEEDER ROOT FCU	$0	$1,020	$1,020	$0		
800016	FIRST EDUCATORS CREDIT UNION	$0	$1,018	$79,279	$1,018	$79,279	
806262	FARMERS & MERCHANTS STATE BANK OF N	$0	$1,005	$60,158	$1,005	$60,158	
819915	ASSOCIATED BANK NA	$0	$1,005	$1,005	$0		
822318	CABOT & NOI EMPLOYEES CREDIT UNION	$0	$997	$41,267	$997	$41,267	
833855	BETHEX FCU	$0	$996	$996	$0		
833092	KEY BANK NA	$0	$994	$1,487,965	$994	$1,487,965	
817071	GREATER NORWALK AREA CREDIT UNION	$0	$993	$61,969	$993	$61,969	
819665	FIRST LIGHT FCU	$0	$991	$58,136	$991	$58,136	
833429	PARK COMMUNITY FCU	$0	$988	$58,697	$988	$58,697	
833448	CSC EMPLOYEE'S FEDERAL CREDIT UNION	$0	$987	$106,911	$987	$106,911	
832284	REMINGTON ARMS FCU	$0	$978	$68,144	$978	$68,144	
801897	FITZSIMONS COMMUNITY FCU	$0	$977	$59,241	$977	$59,241	

806345	THE FIRST NATIONAL BANK OF HENNING	$0	$973	$30,250	$973	$30,250
833862	NORTH CAROLINA LOCAL GOVERNMENT EFC	$0	$972	$29,959	$972	$29,959
828871	SAGELINK CU	$0	$972	$41,274	$972	$41,274
802968	REGIONS BANK	$0	$972	$972	$0	
832639	LIBERTY ALLIANCE FCU	$0	$969	$91,824	$969	$91,824
834155	PETIT JEAN STATE BANK	$0	$969	$0	$969	$0
833718	GLENDALE AREA SCHOOL FCU	$0	$966	$23,246	$966	$23,246
815849	FARMINGTON SAVINGS BANK	$0	$965	$965	$0	
806548	STATE BANK OF LAKE PARK	$0	$960	$31,625	$960	$31,625
831356	UNITED METHODIST FIRST CHOICE FCU	$0	$956	$956	$0	
828386	DEACON CU	$0	$955	$32,590	$955	$32,590
833871	STANDARD STEEL EFCU	$0	$953	$70,419	$953	$70,419
833129	ACCO YORK FCU	$0	$951	$65,251	$951	$65,251
832528	NORTHWEST RESOURCE FCU	$0	$944	$42,343	$944	$42,343
832514	MISSION PARTNERS EMPLOYEES CREDIT U	$0	$942	$72,822	$942	$72,822
832608	CTECU	$0	$937	$33,086	$937	$33,086
833894	MONONGAHELA VALLEY FCU	$0	$935	$53,405	$935	$53,405
830632	SHARE ADVANTAGE CREDIT UNION	$0	$934	$78,581	$934	$78,581
817132	WATERBURY CT TEACHERS FED CR UNION	$0	$930	$3,750	$930	$3,750
818185	ASSOCIATED BANK NA	$0	$924	$924	$0	
832272	FLOWER CITY FCU	$0	$918	$26,043	$918	$26,043
830464	HEALTHCARE PLUS FED CREDIT UNION	$0	$917	$917	$0	
832815	MONTCLAIR POSTAL EMP CU	$0	$917	$32,347	$917	$32,347
813125	ALPENA ALCONA AREA CREDIT UNION	$0	$914	$10,495	$914	$10,495
833615	MEMBERS CHOICE CREDIT UNION	$0	$906	$64,552	$906	$64,552
829820	GABRIELS COMMUNITY CU	$0	$903	$48,987	$903	$48,987
832649	ALLEGHENY-KISKI POSTAL FCU	$0	$902	$902	$0	
817854	ARSENAL CREDIT UNION	$0	$900	$11,250	$900	$11,250
833777	NCPD FEDERAL CREDIT UNION	$0	$900	$53,583	$900	$53,583
828286	MIDWEST PARTNERS FED CREDIT UNION	$0	$899	$53,439	$899	$53,439
833593	THE COCA-COLA CO FAMILY FCU	$0	$898	$33,678	$898	$33,678
830640	NAPUS FEDERAL CREDIT UNION	$0	$897	$59,928	$897	$59,928
833185	FIRST CLASS AMERICAN CREDIT UNION	$0	$895	$37,817	$895	$37,817
820213	TAHQUAMENON AREA CREDIT UNION	$0	$893	$59,632	$893	$59,632
804655	GREENSBURG STATE BANK	$0	$892	$54,716	$892	$54,716
806260	MINNWEST BANK SOUTH	$0	$892	$892	$0	
833404	STERLING BANK	$0	$890	$890	$0	
806406	JANESVILLE STATE BANK	$0	$887	$35,490	$887	$35,490
816082	MUTUAL SAVINGS CREDIT UNION	$0	$883	$36,339	$883	$36,339
831022	L. C. E. FEDERAL CREDIT UNION	$0	$880	$39,863	$880	$39,863

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
819203	COMMUNITY STATE BANK	$0	$880	$36,078	$880	$36,078	
832770	MISSOURI VALLEY FEDERAL CREDIT UNIO	$0	$877	$17,690	$877	$17,690	
831362	IEC FEDERAL CREDIT UNION	$0	$871	$48,952	$871	$48,952	
832857	UMASS/FIVE COLLEGE FCU	$0	$862	$80,997	$862	$80,997	
824924	OHIO UNIVERSITY CU	$0	$858	$65,803	$858	$65,803	
819630	GREAT PLAINS BANK	$0	$856	$47,388	$856	$47,388	
828311	THE UNION BANKING COMPANY	$0	$856	$56,202	$856	$56,202	
833776	SANTA MONICA SCHOOLS EMPLOYEES FEDE	$0	$855	$44,027	$855	$44,027	
810492	IPSWICH STATE BANK	$0	$855	$0	$855	$0	
833401	NORTHERN SCHOOLS FCU	$0	$854	$33,981	$854	$33,981	
827501	NEBRASKA STATE EMPLOYEES CREDIT UNI	$0	$854	$50,397	$854	$50,397	
832533	GWINNETT FCU	$0	$854	$57,174	$854	$57,174	
802160	FAIRFIELD COUNTY CREDIT UNION	$0	$853	$71,553	$853	$71,553	
808616	THE FIRST NATIONAL BANK OF SYCAMORE	$0	$847	$48,659	$847	$48,659	
816266	STATE BANK OF LUCAN	$0	$847	$15,357	$847	$15,357	
832665	QUIMPER COMMUNITY FCU	$0	$843	$56,192	$843	$56,192	
827666	NORTH JERSEY FEDERAL CREDIT UNION	$0	$841	$83,375	$841	$83,375	
818179	ASSOCIATED BANK NA	$0	$840	$840	$0		
833929	GALLERIA CU	$0	$839	$30,995	$839	$30,995	
832392	WEYERHAEUSER CREDIT UNION	$0	$818	$61,320	$818	$61,320	
828925	MEM FCU	$0	$815	$63,927	$815	$63,927	
820970	SIOUX FALLS BELL FEDERAL CREDIT UNI	$0	$811	$811	$0		
813411	COMMERCIAL BANK & TRUST OF PA	$0	$808	$0	$808	$0	
833767	PARKS HERITAGE FCU	$0	$807	$70,962	$807	$70,962	
833763	MINNWEST BANK SIOUX FALLS	$0	$806	$44,389	$806	$44,389	
832507	MERCER COUNTY NJ TEACHERS FCU	$0	$803	$59,109	$803	$59,109	
822591	TIC FEDERAL CREDIT UNION	$0	$803	$66,704	$803	$66,704	
831640	STUDENT LOAN FUNDING US BANK ELT	$0	$802	$13,889	$802	$13,889	
833450	SEMC FEDERAL CREDIT UNION	$0	$801	$58,702	$801	$58,702	
826526	RIVER VALLEY CREDIT UNION	$0	$800	$800	$0		
833665	CATSKILL REGIONAL FCU	$0	$798	$65,600	$798	$65,600	
813953	ELKHORN FEDERAL CREDIT UNION	$0	$796	$796	$0		
833704	THE BANK OF THE RIO GRANDE NA	$0	$795	$38,745	$795	$38,745	

832795	HOLY CROSS HOSPITAL EMPLOYEES' CU	$0	$792	$43,951	$792	$43,951
830567	VACAP FEDERAL CREDIT UNION	$0	$787	$21,143	$787	$21,143
806373	CENTER NATIONAL BANK	$0	$787	$50,995	$787	$50,995
807581	BANK OF NEW YORK	$0	$787	$0	$787	$0
832311	NYM FEDERAL CREDIT UNION	$0	$787	$41,858	$787	$41,858
825280	AP FEDERAL CREDIT UNION	$0	$786	$41,969	$786	$41,969
821891	OTERO FEDERAL CREDIT UNION	$0	$783	$46,518	$783	$46,518
833362	FARMERS & MERCHANTS STATE BANK	$0	$782	$782	$0	
833336	HINGHAM FEDERAL CREDIT UNION	$0	$779	$36,204	$779	$36,204
823866	RAYTOWN-LEE'S SUMMIT COMMUNITY CRED	$0	$777	$28,361	$777	$28,361
817876	ARKANSAS EMPLOYEES FCU	$0	$775	$45,635	$775	$45,635
825582	NJ GATEWAY FEDERAL CREDIT UNION	$0	$772	$52,719	$772	$52,719
834054	ACCESS CU	$0	$770	$19,703	$770	$19,703
806541	STATE BANK OF BIRD ISLAND	$0	$766	$45,966	$766	$45,966
820136	GREATER ALLIANCE FCU	$0	$765	$765	$0	
820198	FIRST STATE BANK OF MIDDLEBURY	$0	$764	$152,108	$764	$152,108
817718	GLOUCESTER COUNTY FSB	$0	$764	$40,123	$764	$40,123
833951	EMSBLA CU	$0	$761	$38,437	$761	$38,437
834240	US BANK ELT COLLEGIATE SOLUTIONS	$0	$760	$84,227	$760	$84,227
833845	HTM AREA CU	$0	$758	$38,831	$758	$38,831
834175	FIRST FEDERAL	$0	$758	$758	$0	
832526	ADVANTIS CU	$0	$757	$39,591	$757	$39,591
832308	LEWISTON MUNICIPAL FEDERAL CREDIT U	$0	$753	$54,090	$753	$54,090
832761	ALHAMBRA CREDIT UNION	$0	$752	$0	$752	$0
832489	ALABAMA TEACHERS CU	$0	$748	$40,773	$748	$40,773
832659	ALLEGANY COMMUNITY FCU	$0	$746	$45,322	$746	$45,322
813989	BANK OF ROTHVILLE	$0	$743	$8,000	$743	$8,000
832246	LOUDOUN CREDIT UNION	$0	$739	$26,950	$739	$26,950
820003	THE CORN CITY STATE BANK	$0	$736	$29,855	$736	$29,855
833383	ROHM & HAAS MONUMENT AREA FCU	$0	$732	$62,069	$732	$62,069
814151	SAINT AGATHA FEDERAL CREDIT UNION	$0	$731	$731	$0	
819119	EAST RIVER FCU	$0	$729	$729	$0	
833392	ROSWELL COMM FCU	$0	$728	$26,752	$728	$26,752
832772	BELL CREDIT UNION	$0	$727	$56,617	$727	$56,617
830613	NORTH RIDGE COMMUNITY CU	$0	$726	$19,125	$726	$19,125
832443	NORTHWEST COMMUNITY CU	$0	$726	$726	$0	
827310	SUN SECURITY BANK OF AMERICA	$0	$722	$722	$0	
833561	TRANSTAR FCU	$0	$719	$68,600	$719	$68,600
832631	SPERRY MARINE FCU	$0	$717	$50,089	$717	$50,089
814459	FARMERS STATE BANK FLANDREAU SOUTH	$0	$717	$717	$0	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
817801	FIRST UNITED BANK	$0	$716	$716	$0		
832117	HEALTHCARE SYSTEMS FEDERAL CREDIT U	$0	$705	$50,208	$705	$50,208	
832618	MISSISSIPPI TELCO FCU	$0	$704	$29,783	$704	$29,783	
823745	BANK OF NEW CAMBRIA	$0	$703	$53,070	$703	$53,070	
806089	PENINSULA BANK	$0	$701	$43,809	$701	$43,809	
832767	CATHOLIC PARISHES FCU	$0	$694	$37,637	$694	$37,637	
825545	GUARDIAN FEDERAL CREDIT UNION	$0	$692	$39,729	$692	$39,729	
830284	ARAPAHOE CREDIT UNION	$0	$687	$44,402	$687	$44,402	
832456	OREGON FIRST COMMUNITY CU	$0	$684	$52,845	$684	$52,845	
832849	I AND M (TANNERS CREEK) EFCU	$0	$683	$51,334	$683	$51,334	
830704	EASTERN NEW YORK FCU	$0	$677	$30,858	$677	$30,858	
833151	SPOKANE CITY CREDIT UNION	$0	$676	$48,660	$676	$48,660	
830347	CITIZENS STATE BANK OF SHAKOPEE	$0	$669	$29,538	$669	$29,538	
832252	CPM FEDERAL CREDIT UNION	$0	$669	$44,011	$669	$44,011	
834017	DEPARTMENT OF COMMERCE FCU	$0	$668	$57,293	$668	$57,293	
813774	VERMONT FEDERAL CREDIT UNION	$0	$666	$74,105	$666	$74,105	
804494	MARQUETTE FARMERS STATE BANK	$0	$663	$65,256	$663	$65,256	
833900	LINCOLN MAINE FCU	$0	$658	$40,094	$658	$40,094	
803258	JPMORGAN CHASE BANK NA	$0	$657	$0	$657	$0	
833018	SECURITY ONE FCU	$0	$653	$48,906	$653	$48,906	
833632	ROCHESTER & MONROE CTY FCU	$0	$651	$29,591	$651	$29,591	
828942	UTI EMPLOYEES CREDIT UNION	$0	$650	$40,934	$650	$40,934	
832277	NORTH EAST ALLIANCE FEDERAL CREDIT	$0	$650	$45,598	$650	$45,598	
806219	FLAGSHIP BANK	$0	$649	$19,625	$649	$19,625	
832403	WESTERN REGION FED CREDIT UNION	$0	$647	$10,463	$647	$10,463	
832951	SEAPORT CU	$0	$646	$40,205	$646	$40,205	
833939	FARM BUREAU BANK	$0	$645	$24,125	$645	$24,125	
832687	KC FAIRFAX FCU	$0	$643	$47,425	$643	$47,425	
833538	FIRST JERSEY CU	$0	$640	$60,793	$640	$60,793	
828444	BANK OF BROOKFIELD-PURDIN N A	$0	$639	$28,584	$639	$28,584	
832359	ISHPEMING COMMUNITY FEDERAL CREDIT	$0	$639	$41,260	$639	$41,260	
820377	FIRST BANK AND TRUST COMPANY	$0	$634	$634	$0		
831023	ALLEGHENY VALLEY FED CR UNION	$0	$633	$633	$0		

833367	CREDIT UNION OF NEW JERSEY	$0	$628	$23,358	$628	$23,358
823635	HANNIBAL NATIONAL BANK	$0	$627	$627	$0	
829744	BALLINGER NATIONAL BANK	$0	$627	$3,937	$627	$3,937
832269	SPENCERPORT FCU	$0	$625	$22,367	$625	$22,367
832779	LEXINGTON AVENUE FEDERAL CREDIT UNI	$0	$624	$41,163	$624	$41,163
832204	CAROLINA TRUST FCU	$0	$624	$27,345	$624	$27,345
832310	FORT MCCLELLAN CREDIT UNION	$0	$623	$26,609	$623	$26,609
820528	BENCHMARK CREDIT UNION	$0	$623	$103,540	$623	$103,540
829440	LEGENDS BANK	$0	$622	$9,250	$622	$9,250
832783	Bank @LANTEC	$0	$620	$30,918	$620	$30,918
812747	STRAIT-VIEW CREDIT UNION	$0	$616	$41,918	$616	$41,918
831365	WELCOME CREDIT UNION	$0	$614	$121,533	$614	$121,533
832629	WOODCO FEDERAL CREDIT UNION	$0	$612	$44,437	$612	$44,437
824104	LATVIAN CLEVELAND CREDIT UNION	$0	$611	$21,146	$611	$21,146
833551	TEANECK FEDERAL CREDIT UNION	$0	$604	$40,509	$604	$40,509
832604	NORTHEAST DENVER FEDERAL CREDIT UNI	$0	$601	$49,089	$601	$49,089
804692	CREDIT UNION OF JOHNSON COUNTY	$0	$598	$42,792	$598	$42,792
822774	SNYDER NATIONAL BANK	$0	$595	$25,722	$595	$25,722
832118	TPS CREDIT UNION INC	$0	$592	$60,276	$592	$60,276
834113	LUZERNE COUNTY FCU	$0	$587	$47,260	$587	$47,260
832145	IBEW 76	$0	$587	$41,518	$587	$41,518
825532	WATERFORD COMMERCIAL & SAV BANK	$0	$585	$39,199	$585	$39,199
832983	TAYLOR COMMUNITY CU	$0	$579	$35,986	$579	$35,986
819447	VALLEYSTONE CU	$0	$579	$35,694	$579	$35,694
833877	MINNESOTA MUTUAL COMPANIES CU	$0	$578	$578	$0	
832713	BARAGA COUNTY FEDERAL CREDIT UNION	$0	$576	$25,812	$576	$25,812
816050	BLUE RIDGE BANK AND TRUST CO	$0	$574	$574	$0	
831632	HUNTINGTON SCHOOLS FCU	$0	$572	$572	$0	
831219	VIRGINIA EDUCATORS' CU	$0	$569	$0	$569	$0
834176	COMMUNITY SERVICE CU	$0	$565	$27,143	$565	$27,143
832728	CHISHOLM TRAIL FCU	$0	$564	$42,197	$564	$42,197
832019	TVA CU	$0	$562	$36,016	$562	$36,016
833906	KNOX COUNTY FCU	$0	$557	$557	$0	
805648	ALLIANCE OF MAINE FCU	$0	$555	$112,329	$555	$112,329
833522	OK MEMBERS FIRST FCU	$0	$553	$36,188	$553	$36,188
834135	UNITED POLICE FCU	$0	$552	$12,288	$552	$12,288
822490	JEFFERSON PARISH EFCU	$0	$551	$23,087	$551	$23,087
833430	BN WEST CREDIT UNION	$0	$548	$33,162	$548	$33,162
819099	SUN CREDIT UNION	$0	$547	$38,813	$547	$38,813
832325	BENNINGTON COUNTY TEACHERS CREDIT U	$0	$542	$542	$0	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
806407	KANABEC STATE BANK	$0	$537	$38,552	$537	$38,552	
810832	FIRST NATIONAL BANK BELLVILLE	$0	$537	$30,534	$537	$30,534	
834228	ARIZONA STATE UNIVERSITY	$0	$537	$537	$0		
832299	PROMEDICA FEDERAL CREDIT UNION	$0	$535	$34,378	$535	$34,378	
833229	BOULDER VALLEY CREDIT UNION	$0	$533	$14,475	$533	$14,475	
830060	PARIS NATIONAL BANK	$0	$526	$30,527	$526	$30,527	
834284	SOUTHERN ILLINOIS UNIVERSITY	$0	$519	$70,180	$519	$70,180	
833541	UNIVERSAL FCU	$0	$516	$0	$516	$0	
832178	DEER LODGE COUNTY SCHOOL EFCU	$0	$511	$511	$0		
833590	WENATCHEE VALLEY FCU	$0	$509	$40,009	$509	$40,009	
806851	FOCUS BANK	$0	$508	$21,710	$508	$21,710	
819564	FIRST NATIONAL BANK	$0	$507	$507	$0		
833851	APPALACHIAN COMMUNITY FCU	$0	$506	$37,778	$506	$37,778	
832667	CHESTNUT COMMUNITY CREDIT UNION	$0	$505	$32,838	$505	$32,838	
833645	STARTRUST FCU	$0	$505	$0	$505	$0	
829464	UNITED FCU	$0	$501	$501	$0		
832757	STREATOR ONIZED CREDIT UNION	$0	$501	$30,979	$501	$30,979	
811906	ASSOCIATED BANK NA	$0	$499	$499	$0		
826415	WANIGAS FEDERAL CREDIT UNION	$0	$498	$14,009	$498	$14,009	
832134	KOOTENAI VALLEY FCU	$0	$497	$15,917	$497	$15,917	
832567	TLC FEDERAL CREDIT UNION	$0	$495	$27,762	$495	$27,762	
820889	BURGER FEDERAL CREDIT UNION	$0	$494	$32,805	$494	$32,805	
818422	FLORIDA COMMERCE CREDIT UNION	$0	$494	$32,211	$494	$32,211	
834109	FIRST BANK & TRUST CO	$0	$493	$32,025	$493	$32,025	
834053	MS FCU	$0	$488	$22,946	$488	$22,946	
833684	BAYLANDS FCU	$0	$481	$33,445	$481	$33,445	
832434	LINN-CO FEDERAL CREDIT UNION	$0	$479	$35,111	$479	$35,111	
804146	REGIONS BANK	$0	$478	$478	$0		
833569	ILLINOIS VALLEY CREDIT UNION	$0	$476	$21,528	$476	$21,528	
831850	INDEPENDENT BANK	$0	$475	$32,708	$475	$32,708	
824858	BURBANK FEDERAL CREDIT UNION	$0	$475	$26,910	$475	$26,910	
820166	WESTAMERICA BANK	$0	$474	$22,959	$474	$22,959	
832924	CHADWICK FCU	$0	$471	$48,819	$471	$48,819	

832657	TAFT CARBIDE FCU	$0	$470	$29,036	$470	$29,036
829095	SOUTHCOAST HEALTH SYSTEM FCU	$0	$467	$17,686	$467	$17,686
820323	WEST COMMUNITY CREDIT UNION	$0	$467	$13,250	$467	$13,250
834083	CORE ONE CU INC	$0	$459	$459	$0	
810538	PREMIER BANK	$0	$458	$458	$0	
831499	VANTRIA FEDERAL CREDIT UNION	$0	$456	$55,297	$456	$55,297
832448	WALKER COUNTY EDUCATORS FCU	$0	$455	$22,020	$455	$22,020
833714	COSTA MESA FCU	$0	$454	$27,300	$454	$27,300
821966	US NEW MEXICO FEDERAL CREDIT UNION	$0	$451	$28,101	$451	$28,101
831015	SODES FEDERAL CREDIT UNION	$0	$451	$23,250	$451	$23,250
833793	MILL TOWN CU	$0	$450	$15,603	$450	$15,603
833425	DALLAS COUNTY CU	$0	$450	$450	$0	
807756	BANK OF AKRON	$0	$449	$14,089	$449	$14,089
806810	COMMUNITY STATE BANK	$0	$448	$11,597	$448	$11,597
833729	POSTEL FAMILY CREDIT UNION	$0	$446	$26,679	$446	$26,679
816914	MILFORD FCU	$0	$442	$41,674	$442	$41,674
833897	PRESIDENTS FEDERAL CREDIT UNION	$0	$442	$54,636	$442	$54,636
824354	NORTH OAKLAND COMMUNITY CREDIT UNIO	$0	$439	$34,891	$439	$34,891
832469	ONE COMMUNITY FCU	$0	$438	$14,148	$438	$14,148
811948	ASSOCIATED BANK NA	$0	$437	$437	$0	
823469	PIONEER BANK	$0	$437	$0	$437	$0
806747	BANK OF BELTON	$0	$436	$23,063	$436	$23,063
804166	PEOPLES SAVINGS BANK	$0	$435	$23,619	$435	$23,619
834056	AMBRIDGE SCHOOL TEACHERS FCU	$0	$426	$32,000	$426	$32,000
833261	KINGSPORT PRESS CREDIT UNION	$0	$426	$11,987	$426	$11,987
828130	PULASKI BANK	$0	$426	$19,491	$426	$19,491
833192	STAR USA FEDERAL CREDIT UNION	$0	$426	$18,613	$426	$18,613
824769	JOHNS HOPKINS UNIVERSITY	$0	$426	$0	$426	$0
830571	ELECTRICAL WORKERS CREDIT UNION	$0	$423	$20,966	$423	$20,966
833393	PINNACLE FCU	$0	$420	$26,800	$420	$26,800
810437	FARMERS & MERCHANTS STATE BANK	$0	$419	$419	$0	
828642	ASCENSION SCHOOL ECU	$0	$418	$24,189	$418	$24,189
803427	CLIFTY CREEK EMPLOYEES FCU	$0	$416	$24,780	$416	$24,780
834197	FULTON COUNTY FCU	$0	$410	$38,828	$410	$38,828
807009	BANK OF BAKER	$0	$408	$408	$0	
812763	UNITED CREDIT UNION	$0	$405	$24,640	$405	$24,640
833319	C.C.S.E. FCU	$0	$402	$57,105	$402	$57,105
833386	SOUTH BERGEN FCU	$0	$397	$32,769	$397	$32,769
832571	OLD OCEAN FCU	$0	$395	$395	$0	
813133	COPOCO CREDIT UNION	$0	$395	$395	$0	

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833523	PLUS4 CU	$0	$394	$23,640	$394	$23,640	
819993	WESTERRA CU	$0	$393	$9,349	$393	$9,349	
833849	KEARNEY EATON EMPLOYEES FCU	$0	$393	$26,229	$393	$26,229	
833756	UNCLE CREDIT UNION	$0	$393	$21,495	$393	$21,495	
815648	TAMPA BAY FEDERAL CREDIT UNION	$0	$392	$27,131	$392	$27,131	
829953	FAIRLEIGH DICKINSON UNIVERSITY FCU	$0	$391	$6,950	$391	$6,950	
832753	UNIVERSITY HEALTH FCU	$0	$391	$10,440	$391	$10,440	
833879	COOPERATIVE CU	$0	$390	$26,218	$390	$26,218	
833235	AMERICAN SAVINGS CREDIT UNION	$0	$388	$20,131	$388	$20,131	
833173	ST. MARYS BANK	$0	$388	$388	$0		
830798	INVESTEX CU	$0	$387	$25,587	$387	$25,587	
832317	MEMBERS ADVANTAGE COMMUNITY CU	$0	$387	$48,988	$387	$48,988	
833825	CP FCU	$0	$386	$10,626	$386	$10,626	
833677	PACIFIC RESOURCE CU	$0	$385	$7,754	$385	$7,754	
825299	LORMET COMMUNITY FEDERAL CREDIT UNI	$0	$383	$21,515	$383	$21,515	
827952	EXCHANGE STATE BANK	$0	$382	$20,513	$382	$20,513	
830730	FIRST CENTRAL CU	$0	$380	$24,772	$380	$24,772	
833563	COOPER'S CAVE FCU	$0	$380	$23,567	$380	$23,567	
833942	SCHNEIDER COMMUNITY CU	$0	$378	$27,230	$378	$27,230	
833676	COMMUNITY 1ST CREDIT UNION	$0	$375	$47,915	$375	$47,915	
804257	UNION STATE BANK	$0	$373	$373	$0		
806252	FARMERS & MERCHANTS STATE BANK	$0	$370	$370	$0		
832603	WATERFRONT FCU	$0	$367	$31,645	$367	$31,645	
806322	FIRST NATIONAL BANK OSAKIS	$0	$366	$7,713	$366	$7,713	
831964	CAPITAL COMMUNITY CU	$0	$366	$28,810	$366	$28,810	
819110	G I C FEDERAL CREDIT UNION	$0	$365	$21,907	$365	$21,907	
832235	HILLSIDE HOSPITAL FEDERAL CREDIT UN	$0	$365	$10,797	$365	$10,797	
832519	SOFCU	$0	$363	$11,935	$363	$11,935	
815504	INDEPENDENT EMPLOYERS GROUP FCU	$0	$361	$21,793	$361	$21,793	
833587	BENTON COUNTY SCHOOLS CU	$0	$360	$56,623	$360	$56,623	
832322	ACHIEVE FINANCIAL CREDIT UNION	$0	$359	$32,541	$359	$32,541	
830504	PRICECHOPPER EMPLOYEES FED CR UN	$0	$355	$22,125	$355	$22,125	
832530	CENTRAL GEORGIA REGIONAL CU	$0	$355	$17,676	$355	$17,676	

834077	UFIRST FCU	$0	$352	$15,070	$352	$15,070
833678	CENTRAL WILLAMETTE CU	$0	$351	$23,983	$351	$23,983
814008	THE MARIES COUNTY BANK	$0	$348	$348	$0	
832898	ALLEGANY COUNTY SCHOOLS FCU	$0	$347	$20,475	$347	$20,475
802198	AFL-CIO EMPLOYEES FCU	$0	$341	$672	$341	$672
813975	CITIZENS BANK & TRUST	$0	$340	$18,850	$340	$18,850
832926	PRECISION CU	$0	$337	$12,965	$337	$12,965
833544	MONMOUTH FCU	$0	$333	$333	$0	
832441	SEAFORD FEDERAL CREDIT UNION	$0	$333	$35,057	$333	$35,057
832329	AOD FEDERAL CREDIT UNION	$0	$330	$27,514	$330	$27,514
832430	BIG VALLEY FEDERAL CREDIT UNION	$0	$329	$17,482	$329	$17,482
819422	SOUTH LAFOURCHE BANK & TRUST CO	$0	$328	$328	$0	
824699	SANDIA LABORATORY FCU	$0	$328	$8,579	$328	$8,579
833423	EDUCATIONAL COMM CU	$0	$327	$20,765	$327	$20,765
833504	LAKEVIEW CREDIT UNION	$0	$327	$327	$0	
832506	IQ CREDIT UNION	$0	$327	$9,945	$327	$9,945
833936	GNC COMMUNITY FCU	$0	$325	$31,265	$325	$31,265
806858	GATEWAY NAT'L BANK OF ST LOUIS	$0	$323	$323	$0	
826355	PLANTERS BANK & TRUST COMPANY	$0	$322	$322	$0	
818156	ALABAMA CREDIT UNION	$0	$320	$24,712	$320	$24,712
834207	HOLY FAMILY MEMORIAL CU	$0	$316	$37,830	$316	$37,830
821987	PEOPLES STATE BANK OF MUNISING	$0	$315	$33,278	$315	$33,278
808058	M & T BANK EDUCATIONAL LENDING	$0	$314	$26,894	$314	$26,894
832381	EAST IDAHO CU	$0	$314	$2,000	$314	$2,000
830853	COMMUNITY EDUCATIONAL FCU	$0	$309	$19,335	$309	$19,335
832265	STEEL VALLEY FCU	$0	$309	$34,081	$309	$34,081
832638	PARSONS PITTSBURG CU	$0	$308	$26,034	$308	$26,034
833695	SCENIC FALLS FCU	$0	$305	$17,210	$305	$17,210
832793	COMMUNITY HEALTHCARE FCU	$0	$305	$55,715	$305	$55,715
832921	SOUTHLAND CIVIC CREDIT UNION	$0	$305	$26,691	$305	$26,691
829370	BANK OF OLD MONROE	$0	$303	$14,961	$303	$14,961
828728	IOSCO COMMUNITY CREDIT UNION	$0	$300	$10,954	$300	$10,954
834298	ST. LOUIS UNIVERSITY	$0	$300	$0	$300	$0
830474	U.S. ALLIANCE CU	$0	$299	$20,286	$299	$20,286
817519	MON-OC FEDERAL CREDIT UNION	$0	$299	$35,549	$299	$35,549
820394	LAKE COUNTY BANK	$0	$296	$296	$0	
833937	CY-CO FCU	$0	$296	$19,602	$296	$19,602
818630	SUMA YONKERS FCU	$0	$296	$18,502	$296	$18,502
833850	MOHAWK PROGRESSIVE FEDERAL CREDIT U	$0	$294	$8,566	$294	$8,566
833472	UNIVERSAL CITY STUDIOS CU	$0	$291	$33,899	$291	$33,899

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Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
830041	ALL CITY EMPLOYEES CREDIT UNION	$0	$290	$3,286	$290	$3,286	
822170	WHEELING NATIONAL BANK	$0	$286	$15,863	$286	$15,863	
804658	GREAT PLAINS FEDERAL CREDIT UNION	$0	$285	$21,700	$285	$21,700	
828777	MITCHELL BANK	$0	$283	$6,125	$283	$6,125	
803999	FARMERS STATE BANK	$0	$283	$283	$0		
832462	CORNERSTONE COMMUNITY FIN FCU	$0	$282	$9,646	$282	$9,646	
833814	ANOKA HENNEPIN CREDIT UNION	$0	$281	$19,231	$281	$19,231	
817719	RARITAN BAY FEDERAL CREDIT UNION	$0	$281	$15,886	$281	$15,886	
832812	FRANKENMUTH CU	$0	$280	$19,114	$280	$19,114	
833843	UNITED FINANCIAL CU	$0	$278	$33,485	$278	$33,485	
833213	PARSONS FEDERAL CREDIT UNION	$0	$276	$29,505	$276	$29,505	
821562	CARNEGIE MELLON UNIVERSITY	$0	$269	$36,319	$269	$36,319	
832698	ROGUE FEDERAL CREDIT UNION	$0	$266	$18,221	$266	$18,221	
810449	FARMERS STATE BANK	$0	$262	$262	$0		
823108	MIDSTATE CREDIT UNION	$0	$261	$22,277	$261	$22,277	
824220	CONSOLIDATED BANK & TRUST COMPANY	$0	$254	$12,673	$254	$12,673	
832494	SYMPHONY ORCHESTRA EFCU	$0	$252	$27,588	$252	$27,588	
832922	KENNEWICK COMMUNITY FCU	$0	$250	$9,490	$250	$9,490	
813981	MIDWEST BANKCENTRE	$0	$249	$249	$0		
829868	FINANCIAL PLUS FCU	$0	$245	$37,415	$245	$37,415	
812335	FIRST CHOICE CREDIT UNION	$0	$245	$10,763	$245	$10,763	
833490	MELROSE CREDIT UNION	$0	$245	$11,098	$245	$11,098	
832808	MEMBERS OWN FCU	$0	$241	$14,454	$241	$14,454	
828971	NEW VISIONS COMMUNITY FCU	$0	$241	$241	$0		
814817	BANK OF AMERICA NA	$0	$238	$0	$238	$0	
828261	CAPITOL REGION FCU	$0	$234	$234	$0		
833390	BLACKSTONE RIVER FCU	$0	$231	$8,860	$231	$8,860	
833524	CAROLINAS TELCO FCU	$0	$228	$13,912	$228	$13,912	
810698	UNION PLANTERS NATIONAL BANK	$0	$226	$226	$0		
804402	CITIZENS STATE BANK	$0	$225	$26,323	$225	$26,323	
823388	TEXAS RURAL COMMUNITIES	$0	$225	$9,000	$225	$9,000	
833328	TOWNE BANK	$0	$220	$11,125	$220	$11,125	
833115	JP MORGAN CHASE SMS TRUST 1994-A	$0	$219	$129,802	$219	$129,802	

826376	FEDCOM CU	$0	$216	$18,750	$216	$18,750
832888	NEW SPIRIT CREDIT UNION	$0	$216	$13,030	$216	$13,030
816044	FARMERS & MERCHANTS BANK	$0	$215	$15,408	$215	$15,408
832830	RIVERDALE CREDIT UNION	$0	$213	$14,299	$213	$14,299
832004	NORFOLK FIRE DEPARTMENT FCU	$0	$212	$33,897	$212	$33,897
834120	WORTHINGTON NAT'L BANK	$0	$212	$14,463	$212	$14,463
834277	NATIONAL UNIVERSITY	$0	$208	$49,780	$208	$49,780
833349	COUNTY SCHOOLS FEDERAL CREDIT UNION	$0	$205	$18,160	$205	$18,160
832634	RCU 1500 FEDERAL CREDIT UNION	$0	$203	$18,662	$203	$18,662
812012	STATE BANK OF LA CROSSE	$0	$201	$201	$0	
820814	PEOPLES STATE BANK	$0	$196	$9,886	$196	$9,886
816773	FIRST NEW ENGLAND FCU	$0	$194	$14,745	$194	$14,745
832418	WINDSOR COUNTY SOUTH CREDIT UNION	$0	$194	$8,750	$194	$8,750
834098	SILVER STATE SCHOOLS CU	$0	$193	$21,000	$193	$21,000
834279	LOYOLA COLLEGE	$0	$188	$188	$0	
821496	CANTON STATE BANK	$0	$188	$3,500	$188	$3,500
805623	NORTHEAST BANK FSB	$0	$188	$12,806	$188	$12,806
833759	A/C CREDIT UNION INC	$0	$187	$26,565	$187	$26,565
832423	AMH CREDIT UNION	$0	$187	$17,067	$187	$17,067
832320	GRANITE HILLS CREDIT UNION	$0	$187	$12,286	$187	$12,286
829497	ALOHA AIRLINES FCU	$0	$182	$9,104	$182	$9,104
832872	STREATOR COMMUNITY CREDIT UNION	$0	$180	$10,703	$180	$10,703
830063	MICHIGAN FIRST CU	$0	$174	$12,258	$174	$12,258
805923	THE FIRST NATIONAL BANK & TRUST	$0	$174	$174	$0	
817414	ST PAULS LATVIAN FCU	$0	$173	$173	$0	
827371	ARC CREDIT UNION	$0	$173	$19,253	$173	$19,253
831651	FIRST NATIONAL BANK OF COWETA	$0	$170	$170	$0	
834287	ARCADIA UNIVERSITY	$0	$168	$0	$168	$0
832183	ANDERSON FEDERAL CREDIT UNION	$0	$167	$955	$167	$955
834013	LONG ISLAND COMMUNITY FCU	$0	$165	$34,279	$165	$34,279
833773	AMF KENNEDY EMP FCU	$0	$165	$10,912	$165	$10,912
833477	PRIORITY ONE CU	$0	$164	$9,864	$164	$9,864
832894	UNITED 1ST FCU	$0	$164	$5,393	$164	$5,393
822662	MARQUETTE COMMUNITY FCU	$0	$164	$5,078	$164	$5,078
822031	1ST SUMMIT BANK	$0	$161	$348,098	$161	$348,098
834208	TEXAS BAY AREA CREDIT UNION	$0	$158	$158	$0	
832643	GRS EMPLOYEES CREDIT UNION	$0	$158	$20,504	$158	$20,504
804448	DOWNS NATIONAL BANK	$0	$158	$2,919	$158	$2,919
817717	BRIDGETON ONIZED FCU	$0	$158	$158	$0	
803997	FARMERS SAVINGS BANK	$0	$156	$18,058	$156	$18,058

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
833327	UNITED SAVINGS FEDERAL CREDIT UNION	$0	$156	$10,140	$156	$10,140	
830548	CITIBANK ELT SLC	$0	$156	$31,913	$156	$31,913	
832709	WOLVERINE EMPLOYEES CU	$0	$151	$13,048	$151	$13,048	
833528	1ST PACIFIC CREDIT UNION	$0	$151	$8,750	$151	$8,750	
812264	GOLDMARK FEDERAL CREDIT UNION	$0	$150	$11,328	$150	$11,328	
833722	CERTIFIED FCU	$0	$149	$9,236	$149	$9,236	
833717	ALLIED HEALTHCARE FCU	$0	$148	$9,167	$148	$9,167	
832589	MOUNTAIN HERITAGE FCU	$0	$147	$10,848	$147	$10,848	
834061	NEW ENGLAND COLLEGE OF OPTOMETRY	$0	$147	$37,000	$147	$37,000	
815723	SAFE HARBOR CREDIT UNION	$0	$147	$8,811	$147	$8,811	
818200	THEO DAVIES FEDERAL CREDIT UNION	$0	$147	$3,619	$147	$3,619	
833494	FEDSTAR FEDERAL CREDIT UNION	$0	$147	$10,500	$147	$10,500	
804206	SECURITY STATE BANK	$0	$145	$11,398	$145	$11,398	
806870	SHOW ME CREDIT UNION	$0	$144	$9,526	$144	$9,526	
821660	ABILENE CHRISTIAN UNIVERSITY	$0	$144	$0	$144	$0	
808279	CENTRIS FCU	$0	$143	$9,058	$143	$9,058	
833007	MERIWEST CREDIT UNION	$0	$143	$10,902	$143	$10,902	
833784	CENTRAL HUDSON EMPLOYEES FEDERAL CU	$0	$142	$8,802	$142	$8,802	
823007	UNIVERSITY OF PITTSBURGH	$0	$142	$19,442	$142	$19,442	
823760	66 FCU	$0	$142	$9,516	$142	$9,516	
832778	PROVIDENCE HEALTH SYSTEM FCU	$0	$142	$11,359	$142	$11,359	
832354	LIMESTONE FEDERAL CREDIT UNION	$0	$141	$9,350	$141	$9,350	
823066	NEW YORK INSTITUTE OF TECHNOLOGY	$0	$141	$0	$141	$0	
830091	PATENT AND TRADEMARK OFFICE FCU	$0	$140	$7,802	$140	$7,802	
834253	DOWLING COLLEGE	$0	$139	$139	$0		
828978	OTTUMWA SCH EMPL CREDIT UNION	$0	$139	$139	$0		
833573	BAYONNE HOSPITAL EMP FCU	$0	$138	$5,010	$138	$5,010	
828801	THE BANK OF CARBONDALE	$0	$138	$138	$0		
834260	UNIVERSITY OF MD CP	$0	$137	$137	$0		
805907	FARMERS STATE BANK OF BRECKENRIDGE	$0	$135	$16,219	$135	$16,219	
813466	FRAMINGHAM MUNICIPAL FEDERAL CREDIT	$0	$135	$9,432	$135	$9,432	
832313	LOUVAH FEDERAL CREDIT UNION	$0	$134	$8,951	$134	$8,951	
832927	NORTH SHORE HEALTH SYSTEM FCU	$0	$132	$9,365	$132	$9,365	

814658	LOUISIANA CENTRAL CREDIT UNION	$0	$131	$11,136	$131	$11,136
832457	GREATER OREGON FCU	$0	$131	$8,352	$131	$8,352
832042	DOWAGIAC AREA FCU	$0	$129	$6,910	$129	$6,910
830480	BANK OF STOCKTON	$0	$129	$6,871	$129	$6,871
822237	UNIVERSITY OF ILLINOIS	$0	$128	$128	$0	
813671	UNION BANK & TRUST COMPANY	$0	$127	$6,479	$127	$6,479
832510	AUBURN S&L ASSOCIATION	$0	$127	$127	$0	
827057	BANKERS FIDELITY LIFE INSURANCE CO	$0	$126	$126	$0	
812744	FIRST NATIONAL BANK OF BERRYVILLE	$0	$126	$10,026	$126	$10,026
833124	THE NATIONAL BANK OF INDIANAPOLIS	$0	$125	$125	$0	
817380	TVA CU	$0	$124	$8,667	$124	$8,667
808064	COMMUNITY MUTUAL SAVINGS BANK	$0	$123	$123	$0	
800029	WACHOVIA BANK NA	$0	$123	$123	$0	
833040	NORTHEASTERN ENGINEERS FCU	$0	$122	$19,781	$122	$19,781
828453	REGISTER-GUARD FCU	$0	$122	$122	$0	
816516	RETAIL EMPLOYEES CU	$0	$120	$7,605	$120	$7,605
824574	1ST GARLAND COMMUNITY FCU	$0	$119	$7,654	$119	$7,654
820787	FREEDOM CREDIT UNION	$0	$117	$11,993	$117	$11,993
830016	SECNY FCU	$0	$117	$10,425	$117	$10,425
815880	NEW ALLIANCE BANK	$0	$117	$117	$0	
831053	SLM ECFC	$0	$117	$86,147	$117	$86,147
834294	UNIVERSITY OF SCRANTON	$0	$115	$4,845	$115	$4,845
833703	ST. JOHN'S OF LITTLE CANADA CU	$0	$115	$16,332	$115	$16,332
834214	SOUTHERN ILLINOIS UNIVERSITY	$0	$114	$114	$0	
820212	CHIPPEWA COUNTY EMPLOYEES CU	$0	$114	$8,345	$114	$8,345
826478	EMORY UNIVERSITY	$0	$112	$112	$0	
832119	PRIME CARE CREDIT UNION	$0	$110	$6,727	$110	$6,727
834280	NORTHEASTERN UNIVERSITY	$0	$110	$110	$0	
819332	WEPCO FEDERAL CREDIT UNION	$0	$107	$6,797	$107	$6,797
829253	EQUITABLE SAVINGS & LOAN COMPANY	$0	$106	$8,299	$106	$8,299
832508	COOPERATIVE CENTER FCU	$0	$105	$6,621	$105	$6,621
830306	MARSHLAND COMMUNITY FCU	$0	$105	$10,322	$105	$10,322
832427	MICHIGAN TECH EFCU	$0	$104	$5,265	$104	$5,265
834164	TRI-LAKES FCU	$0	$103	$14,081	$103	$14,081
834249	WELLS FARGO ELT WALDEN UNIVERSITY	$0	$103	$0	$103	$0
833525	LOCAL 144 S.E.I.U. FCU	$0	$103	$5,207	$103	$5,207
832268	COUNTRY HERITAGE CREDIT UNION	$0	$102	$6,326	$102	$6,326
833581	EDWARDS FEDERAL CREDIT UNION	$0	$100	$6,419	$100	$6,419
831298	COMMUNITY FIRST FCU	$0	$100	$100	$0	
830592	CONSOLIDATED HUB-CO FCU	$0	$99	$8,787	$99	$8,787

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
832431	WINTHROP FEDERAL CREDIT UNION	$0	$99	$33,149	$99	$33,149	
834286	CONCORDIA SEMINARY	$0	$99	$16,500	$99	$16,500	
833764	DEXSTA FEDERAL CREDIT UNION	$0	$98	$6,541	$98	$6,541	
833591	SEATTLE METROPOLITAN CU	$0	$97	$10,042	$97	$10,042	
834213	SOMERSET VALLEY BANK	$0	$96	$0	$96	$0	
827810	US FIRST FEDERAL CREDIT UNION	$0	$95	$5,981	$95	$5,981	
834065	HVHS CU	$0	$94	$80,362	$94	$80,362	
833904	HI-LAND HOSPITAL FEDERAL CREDIT UNI	$0	$93	$6,084	$93	$6,084	
831882	HORIZON BANK	$0	$92	$5,250	$92	$5,250	
834220	VALLEY COMMUNITIES CU	$0	$90	$6,125	$90	$6,125	
833464	SOURCEONE CREDIT UNION	$0	$90	$28,339	$90	$28,339	
833790	KERR COUNTY FCU	$0	$89	$89	$0		
833813	SUNSET SCIENCE PARK FEDERAL CREDIT	$0	$88	$88	$0		
819519	SPCO FCU	$0	$86	$6,125	$86	$6,125	
834274	LAKE ERIE COLLEGE OF OSTEO MED	$0	$84	$84	$0		
832936	EDUCATIONAL & GOVERNMENTAL EFCU	$0	$83	$3,748	$83	$3,748	
813766	STATE BANK OF SLATER	$0	$83	$0	$83	$0	
823448	GEORGETOWN UNIVERSITY	$0	$82	$82	$0		
832967	WY-SOUTH FCU	$0	$82	$5,488	$82	$5,488	
834075	DELAWARE STATE POLICE FCU	$0	$82	$6,125	$82	$6,125	
829263	JEFFERSON BANK & TRUST COMPANY	$0	$80	$2,625	$80	$2,625	
829874	SAGINAW AUTOMOTIVE EFCU	$0	$75	$75	$0		
834291	JOHN CARROLL UNIVERSITY	$0	$75	$1,860	$75	$1,860	
832769	ESCU FEDERAL CREDIT UNION	$0	$74	$6,108	$74	$6,108	
834276	FORDHAM UNIVERSITY	$0	$74	$74	$0		
819462	KEARNEY TRUST COMPANY	$0	$72	$0	$72	$0	
832440	LOUISE E MILLS FEDERAL CREDIT UNION	$0	$72	$5,159	$72	$5,159	
832856	ST JEANS CREDIT UNION	$0	$71	$0	$71	$0	
834177	MONTEREY COUNTY EMP CU	$0	$71	$5,500	$71	$5,500	
819406	HURON CNW FCU	$0	$71	$3,251	$71	$3,251	
816484	1ST CHOICE CREDIT UNION	$0	$71	$71	$0		
832240	FRONT ROYAL FCU	$0	$70	$4,228	$70	$4,228	
832596	SOUTHWEST AIRLINES FEDERAL CREDIT U	$0	$70	$5,064	$70	$5,064	

834304	FLORIDA COASTAL SCHOOL OF LAW	$0	$70	$9,250	$70	$9,250
832167	GREENVILLE FEDERAL CREDIT UNION	$0	$69	$4,813	$69	$4,813
833554	TOWN OF HEMPSTEAD EMP FCU	$0	$69	$13,882	$69	$13,882
833440	LBS FINANCIAL CREDIT UNION	$0	$68	$4,303	$68	$4,303
817308	COLORADO UNITED CREDIT UNION	$0	$65	$0	$65	$0
824872	CENTRAL KANSAS CU	$0	$65	$4,753	$65	$4,753
831605	COUNTY OF HENRICO FCU	$0	$65	$65	$0	
832491	MARKET USA FEDERAL CREDIT UNION	$0	$65	$7,604	$65	$7,604
834296	UNIVERSITY OF NORTHWESTERN OHIO	$0	$64	$15,790	$64	$15,790
834288	ROBERT MORRIS UNIVERSITY	$0	$64	$64	$0	
833357	OHIO VALLEY CREDIT UNION	$0	$63	$9,514	$63	$9,514
825487	BOSTON COLLEGE	$0	$63	$63	$0	
822384	INDEPENDENT BANK	$0	$62	$24,307	$62	$24,307
813136	HOMETOWN COMMUNITY CU	$0	$61	$5,557	$61	$5,557
827559	EQUITABLE SAVINGS AND LOAN ASSOCIAT	$0	$61	$61	$0	
814431	MINNWEST BANK MONTEVIDEO	$0	$61	$5,438	$61	$5,438
834232	PERMACULTURE CU	$0	$61	$6,611	$61	$6,611
832425	CARRAWAY METHODIST FCU	$0	$60	$60	$0	
822449	VANDERBILT UNIVERSITY	$0	$60	$60	$0	
817209	VALLEY CATHOLIC FCU	$0	$60	$1,819	$60	$1,819
827291	PEOPLES BANK AND TRUST COMPANY	$0	$60	$60	$0	
832756	SHERATON HAWAII FCU	$0	$60	$17,217	$60	$17,217
813145	CREDIT UNION ONE	$0	$59	$8,602	$59	$8,602
827202	E&A CREDIT UNION	$0	$57	$4,940	$57	$4,940
834180	ENERGY CAPITAL CU	$0	$57	$2,625	$57	$2,625
834195	BAPTIST CREDIT UNION	$0	$56	$4,200	$56	$4,200
810894	HEREFORD STATE BANK	$0	$56	$56	$0	
822686	SANTANDER DE PUERTO RICO	$0	$55	$11,599	$55	$11,599
832237	PALMETTO TRUST FEDERAL CREDIT UNION	$0	$53	$4,756	$53	$4,756
832691	QUALSTAR CU	$0	$53	$3,563	$53	$3,563
831367	OLD DOMINION UNIVERSITY CREDIT UNIO	$0	$53	$24,457	$53	$24,457
833377	CAMPUS CREDIT UNION	$0	$52	$905	$52	$905
817180	STAMFORD POSTAL EFCU	$0	$52	$7,704	$52	$7,704
833935	VIRGINIA BEACH SCHOOLS FCU	$0	$51	$10,379	$51	$10,379
802182	WATERBURY FIREFIGHTERS MUNI FCU	$0	$49	$49	$0	
832379	NORTHWEST HILLS CREDIT UNION INC	$0	$49	$1,615	$49	$1,615
832853	SOUTH DIVISION CREDIT UNION	$0	$49	$9,410	$49	$9,410
833126	MILLSTREAM AREA CU	$0	$47	$5,955	$47	$5,955
832831	LOCO CREDIT UNION	$0	$47	$3,507	$47	$3,507
816869	GEORGIA COASTAL FCU	$0	$47	$3,103	$47	$3,103

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
815516	HONOLULU CITY & COUNTY FEDERAL CRED	$0	$47	$3,500	$47	$3,500	
822338	PEOPLES ALLIANCE FCU	$0	$45	$3,370	$45	$3,370	
834297	DEPAUL UNIVERSITY	$0	$45	$6,166	$45	$6,166	
833621	DEPT OF VETERANS AFFAIRS FCU	$0	$45	$45	$0		
832852	RIVER WORKS CREDIT UNION	$0	$44	$2,118	$44	$2,118	
823132	UNION THEOLOGICAL SEMINARY	$0	$44	$3,895	$44	$3,895	
828384	THE FIRST NATIONAL BANK/BALLINGER	$0	$43	$43	$0		
833290	SYRACUSE FCU	$0	$42	$42	$0		
810809	FIRST NATIONAL BANK	$0	$42	$2,691	$42	$2,691	
825138	UNIVERSITY OF CA SAN FRANCISCO	$0	$42	$42	$0		
805943	CLS-NATIONAL CITY BANK (FOA)	$0	$41	$4,000	$41	$4,000	
832271	MEMBER'S CHOICE CU	$0	$40	$2,882	$40	$2,882	
833725	PORT ALLIANCE FCU	$0	$40	$0	$40	$0	
833700	LA FINANCIAL FCU	$0	$40	$2,626	$40	$2,626	
821517	PURDUE UNIVERSITY	$0	$37	$37	$0		
820411	BANK INDEPENDENT	$0	$37	$0	$37	$0	
804776	HILLSBORO STATE BANK	$0	$36	$36	$0		
827132	SKY BANK	$0	$35	$3,236	$35	$3,236	
816323	PINNACLE CREDIT UNION	$0	$35	$2,972	$35	$2,972	
832466	ALLEGIS CREDIT UNION	$0	$34	$2,744	$34	$2,744	
834085	LAKE ERIE COMMUNITY FCU	$0	$34	$34	$0		
834270	POINT PARK UNIVERSITY	$0	$33	$0	$33	$0	
829426	DUPONT FIBERS FEDERAL CREDIT UNION	$0	$33	$33	$0		
813171	NW CONSUMERS FCU	$0	$31	$2,338	$31	$2,338	
826782	FLAGSTAR BANK FSB	$0	$31	$31	$0		
828554	CAPITAL CITY BANK	$0	$31	$31	$0		
834168	MINUTEMAN COMMUNITY FCU	$0	$30	$3,312	$30	$3,312	
811008	HORIZON CAPITAL BANK	$0	$29	$29	$0		
809556	BANK OF AMERICA	$0	$29	$29	$0		
834283	ASHLAND UNIVERSITY	$0	$29	$3,893	$29	$3,893	
820449	ST MICHAEL'S FALL RIVER FCU	$0	$29	$1,888	$29	$1,888	
833021	KEY BANK NA	$0	$28	$63,564	$28	$63,564	
833640	LOCAL 804 FCU	$0	$28	$0	$28	$0	

832970	RED LAKE CO-OP FCU	$0	$28	$1,714	$28	$1,714
833478	SAINT FRANCIS EMPLOYEES FCU	$0	$27	$1,802	$27	$1,802
833008	GTA CREDIT UNION	$0	$27	$27	$0	
832057	JPMORGAN CHASE ELT GTSLC	$0	$27	$27	$0	
810953	SANTA ANNA NATIONAL BANK	$0	$26	$26	$0	
812106	MERCK EMPLOYEES FCU	$0	$26	$2,667	$26	$2,667
810067	COMMUNITY BANK & TRUST CO	$0	$26	$4,239	$26	$4,239
834090	JEANNE D'ARC CU	$0	$26	$2,582	$26	$2,582
808178	COMMUNITY BANK NA	$0	$25	$25	$0	
832714	STONEHAM MUNICIPAL EFCU	$0	$25	$1,348	$25	$1,348
834295	UNIVERSITY OF THE INCARNATE WORD	$0	$25	$3,214	$25	$3,214
834209	EDWARD VIA VIRGINIA COL. OF OSTEOPA	$0	$25	$25	$0	
816473	HUMAN SERVICES EMPLOYEE CU	$0	$24	$1,257	$24	$1,257
831749	WACHOVIA BANK NA	$0	$21	$21	$0	
810960	STATE BANK OF DEKALB	$0	$21	$16,915	$21	$16,915
806063	SAND RIDGE BANK	$0	$21	$21	$0	
833693	TCP CREDIT UNION	$0	$20	$3,782	$20	$3,782
831927	ADVANTIS CU	$0	$20	$20	$0	
834262	NEW MEXICO STATE UNIVERSITY	$0	$19	$2,200	$19	$2,200
834268	ROBERT MORRIS COLLEGE	$0	$18	$1,780	$18	$1,780
834275	UNIVERSITY OF COLORADO COLORADO SPR	$0	$18	$2,432	$18	$2,432
809997	DENVER NATIONAL BANK	$0	$18	$1,256	$18	$1,256
833434	DELAWARE ALLIANCE FCU	$0	$17	$885	$17	$885
816217	SYLVESTER BANKING COMPANY	$0	$17	$1,540	$17	$1,540
833944	DEVRY UNIVERSITY	$0	$17	$0	$17	$0
832961	JOPLIN METRO CREDIT UNION	$0	$17	$1,210	$17	$1,210
816845	THE PEOPLES BANK	$0	$16	$2,616	$16	$2,616
824822	TEMPLE UNIVERSITY	$0	$16	$2,230	$16	$2,230
829436	INTERSTATE UNLIMITED FCU	$0	$16	$1,439	$16	$1,439
829140	FIRST COMMUNITY BANK OF WINDSOR	$0	$15	$1,164	$15	$1,164
808765	THE FARMERS & MERCHANTS STATE BANK	$0	$14	$14	$0	
805704	FIRST NATIONAL BANK OF BAR HARBOR	$0	$14	$14	$0	
802913	US BANK NA	$0	$14	$14	$0	
805849	CENTURY BANK AND TRUST	$0	$14	$14	$0	
832197	CONNECTS FEDERAL CREDIT UNION	$0	$14	$0	$14	$0
810527	FIRST AMERICAN BANK & TRUST	$0	$13	$13	$0	
833568	DETOUR DRUMMOND COMMUNITY CU	$0	$13	$557	$13	$557
832326	CASWELL CREDIT UNION	$0	$13	$0	$13	$0
828677	FIRST HERITAGE FEDERAL CREDIT UNION	$0	$13	$1,386	$13	$1,386
829796	MEMBERS FIRST CU	$0	$12	$531	$12	$531

FY 2006 SAP SUMMARY FOR BOTH TAXABLE AND TAX EXEMPT BY LENDER—Continued

[As of February 2007]

Lender		Tax Exempt Loans		Taxable Loans		Total Tax Exempt and Taxable	
		Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)	Special Allowance Payments	Ending Principal Balance (9/30/06)
828729	CENTRAL MICHIGAN COMMUNITY FED CR U	$0	$12	$3,101	$12	$3,101	
832524	AMERICAN SPIRIT FCU	$0	$12	$1,093	$12	$1,093	
833027	AMERICAN NICKELOID EMP CU	$0	$11	$236	$11	$236	
833962	US BANK ELT AFFORDIAN INC	$0	$11	$1,312	$11	$1,312	
818553	AMERICAN EAGLE CREDIT UNION	$0	$11	$11	$0		
816687	HARTFORD HEALTHCARE CREDIT UNION	$0	$10	$10	$0		
832690	CAPITAL POWER FCU	$0	$10	$10	$0		
834266	OHIO UNIVERSITY COLLEGE OF OSTEO ME	$0	$9	$1,000	$9	$1,000	
827671	QUINCY MUNICIPAL CREDIT UNION	$0	$9	$9	$0		
834293	CENTRAL MICHIGAN UNIVERSITY	$0	$9	$9	$0		
834306	WASHBURN UNIVERSITY	$0	$9	$1,200	$9	$1,200	
899993	SLMA/LSC NEW ENGLAND	$0	$9	$3,921	$9	$3,921	
818712	FIRST NAT'L BANK OF SLIPPERY ROCK	$0	$7	$7	$0		
832319	MARKETPLACE FEDERAL CREDIT UNION	$0	$7	$437	$7	$437	
815816	HAMILTON HORIZONS FCU	$0	$7	$1,143	$7	$1,143	
830938	UNITED BRANCH OF BENNINGTON STATE B	$0	$6	$196	$6	$196	
834020	EASTERN MICHIGAN UNIVERSITY	$0	$6	$6	$0		
832754	IBEW #317 FCU	$0	$5	$5	$0		
833711	FANNIN BANK	$0	$5	$5	$0		
832360	ENTERTAINMENT INDUSTRIES FCU	$0	$5	$5	$0		
826264	AMERICU	$0	$5	$5	$0		
834290	KANSAS STATE BANK ELT UNIV KANSAS S	$0	$4	$4	$0		
822734	UNIVERSITY OF MINNESOTA	$0	$4	$4	$0		
806185	AMERICAN BANK OF NASHWAUK	$0	$4	$4	$0		
825136	UCLA	$0	$3	$3	$0		
821737	OKLAHOMA STATE UNIVERSITY	$0	$3	$3	$0		
827174	MALVERN TRUST & SAVINGS BANK	$0	$3	$3	$0		
832871	LANECO FEDERAL CREDIT UNION	$0	$3	$0	$3	$0	
829817	FLINT AREA SCHOOL EMPL CU	$0	$3	$3	$0		
809678	FIRST NATIONAL BANK OF PENNSYLVANIA	$0	$2	$2	$0		
827521	LIFEWAY CREDIT UNION	$0	$2	$2	$0		
834305	UNIVERSITY OF VERMONT	$0	$1	$1	$0		
802033	AMERICAN EAGLE FCU	$0	$1	$1	$0		

816332	FIDELITY FCU	$0	$1	$1	$0		
832792	DECATUR STANOLIND CREDIT UNION	$0	$1	$1	$0		
829293	MASSMUTUAL FEDERAL CREDIT UNION	$0	$0	$85,076	$0	$85,076	
803917	CENTRAL STATE BANK	$0	$0	$7,948	$0	$7,948	
806466	STATE BANK OF FAIRMONT	$0	$0	$4,428	$0	$4,428	
815644	PANHANDLE EDUCATORS FCU	$0	($1)	($1)	$0		
807806	CITIBANK ELT SLC RECEIVABLES I	$0	($3)	($3)	$0		
805095	FIRST NATIONAL BANK OF JEANERETTE	($5)	$0	($5)	$0		
823817	JPMORGAN CHASE ELT BRAZOS HEA	($14)	($10)	$0	($24)	$0	
808717	JPMORGAN CHASE NA ELT BRAZOS HEA IN	($43)	($5)	$0	($48)	$0	
822685	SANTANDER NATIONAL BANK	$0	($81)	$21,208	($81)	$21,208	
815844	HUDSON UNITED BANK	$0	($84)	($84)	$0		
822982	NEW JERSEY HIGHER EDUCN ASST AUTH	$0	($4,371)	$171,699	($4,371)	$171,699	
834099	UNION BANK CA ELT CHELA FUND I (TEF)	($784,111)	$0	$662,906	$1,052,570	($121,206)	$1,052,570
	Total	$581,296,104	$11,106,045,909	$6,532,862,906	$251,176,218,814	$7,114,159,010	$262,282,264,723

[Whereupon, at 1:38 p.m., the committee was adjourned.]

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