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Student Loan ABS Comparative Credit Enhancement

As the student loan asset-backed security (SLABS) market grows in size and complexity, investors are focusing sharply on the distinguishing characteristics between these securitizations. The levels and forms of credit enhancement required to achieve rating levels are topics of particular interest to SLABS investors. Common forms of SLABS credit enhancement involve applying classic securitization techniques. These include subordination, reserve accounts, overcollateralization, and monoline financial insurer guarantees.

For cash flow management purposes, SLABS may also include a "capitalized interest fund." Funded from issuance proceeds at closing, this account is tapped periodically for interest due on the SLABS when there is insufficient coupon interest generated by collateral.

The table summarizes key structural elements of two recent private or "alternative" (i.e., privately originated and funded, not guaranteed by the U.S. government) and one U.S. Department of Education supported student consolidation loan securitization.

SPE Issuer(s)	SLM Private Credit Student Loan Trust	The National Collegiate Student Loan Trust; NCF Grantor Trust	Nelnet Student Loan Trust
Series	2005-A	2005-1	2005-2
Prospectus Date	04/20/2005	02/18/2005	04/19/2005
Total Transaction	\$1,650,794,000	\$951,500,000	\$2,000,000,000
Pool Balance	\$1,505,063,383	\$715,255,787	\$1,920,944,792
No. of Borrowers	132,087	47,151	148,159
AAA Subordination	7.79%	9.96%	3.00%
Min. Reserve %	0.25% X closing \$	1.25% X Oust. \$	0.25% X Oust. \$
Overcollateralization	0.50%	-	-
Cap. Interest Fund	-	-	0.34%
Loan Insurer	HICA	TERI	USDOE
Bond Guarantor	-	-	-
WA FICO Score	717	721	-
WAC	7.17%	LIBOR + 4.02	3.47%
Top Payment Status	In-School	Deferment	Repayment
Top Program Type	Undergraduate	Undergraduate	Undergraduate
Avg. Total Debt	-	\$11,648	-
Avg. Loan Balance	\$11,394	\$10,457	\$12,878
Top State	New York	California	Florida
% Co-Signed	-	79.3	-