

## 82 Ratings On 27 U.S. Student Loan ABS Deals Remain On Watch; Counterparty Criteria, U.S. Sovereign Rating Cited

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### OVERVIEW

- Our ratings on 82 classes from 27 student-loan ABS transactions from eight North American issuers remain on CreditWatch negative.
- Additionally, our ratings from all but one of these issuers are on CreditWatch negative due to the negative CreditWatch placement of the sovereign credit rating on the United States of America.
- Our rating on six classes from one student loan-related repack transaction also remains on CreditWatch negative.
- Additionally, our ratings from two of the six classes from the student loan-related repack transaction are on CreditWatch negative due to the negative CreditWatch placement of the sovereign credit rating on the United States of America.

NEW YORK (Standard & Poor's) July 19, 2011--Standard & Poor's Ratings Services today said that its ratings on 82 classes from 27 asset-backed securities (ABS) transactions from eight North American issuers remain on CreditWatch negative, where we originally placed them on Jan. 18, 2011, Feb. 2, 2011, or

July 11, 2011, because the existing counterparty documentation for them does not comply with our updated criteria. Our rating on one student loan-related repack transaction also remains on CreditWatch negative, where it was placed on Jan. 18, 2011 (see list).

On Dec. 6, 2010, Standard & Poor's Ratings Services published updated criteria for assessing counterparty risk. These criteria went into effect Jan. 18, 2011, with a transition date of July 18, 2011 (see "Counterparty And Supporting Obligations Methodology and Assumptions," published Dec. 6, 2010).

The resolution of the CreditWatch placements of the transactions outlined herein could result in the following outcomes:

- Affirmation(s) due to amended transaction documentation that complies with our updated criteria;
- Affirmation(s) due to analysis in the form of cash flow modeling and/or mitigating factors that yields sufficient support of the ratings at their current levels without giving credit to the counterparty arrangement;
- Downgrade(s) in the absence of amended transaction documentation that complies with our updated criteria and further analysis, without giving credit to the counterparty arrangement, proves current credit enhancement insufficient to support the ratings at their current levels.

Additionally, our ratings on the North American student loan ABS transactions herein (with the exception of the SLM Private Credit Student Loan Trusts and four of the classes from the student loan repack transaction), which are backed by pools of student loan collateral issued through the Federal Family Education Loan Program (FFELP), are also on CreditWatch negative to reflect Standard & Poor's placement of its 'AAA' long-term and A-1+' short-term sovereign ratings on the United States of America on CreditWatch negative. Each of the loans originated under FFELP are, at a minimum, are 97% guaranteed by the U.S. government.

#### RELATED CRITERIA AND RESEARCH

- 604 Structured Finance Ratings Put On CreditWatch Negative Following U.S. Sovereign CreditWatch Placement, published July 15, 2011.
- 80 Additional North American ABS Ratings Placed On Watch Neg Due To Counterparty Criteria; 162 Ratings Unaffected, published July 11, 2011.
- Principles Of Credit Ratings, published Feb. 16, 2011.
- 149 Additional North American ABS Ratings Placed on Watch Negative In Connection With Revised Counterparty Criteria, published Feb. 2, 2011.
- North American Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria, published Jan. 18, 2011.
- Counterparty And Supporting Obligations Update, published Jan. 13, 2011.
- Counterparty And Supporting Obligations Methodology and Assumptions, published Dec. 6, 2010.
- Methodology: Credit Stability Criteria, published May 3, 2010.
- Student Loan Criteria: Rating Methodology For Student Loan Transactions, published Oct. 1, 2004.
- Student Loan Criteria: Structural Elements In Student Loan Transactions,

published Oct. 1, 2004.

- Student Loan Criteria: Student Loan Programs, published Oct. 1, 2004.
- Student Loan Criteria: The Rating Process For Student Loan Transactions, published Oct. 1, 2004.
- Standard & Poor's To Explicitly Recognize Credit Stability As An Important Rating Factor, published Oct. 15, 2008.

RATINGS REMAINING ON CREDITWATCH NEGATIVE

SLC Student Loan Trust 2008-1

Series	Class	Rating
2008-1	A-4B	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg

SLM Student Loan Trust

Series	Class	Rating
2002-7	A-5	AAA(sf)/Watch Neg
	A-6	AAA(sf)/Watch Neg
	A-7	AAA(sf)/Watch Neg
	A-8	AAA(sf)/Watch Neg
	A-9	AAA(sf)/Watch Neg
	A-10	AAA(sf)/Watch Neg
	A-11	AAA(sf)/Watch Neg
	B	AA(sf)/Watch Neg
2003-12	A-6	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2003-14	A-7	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2004-2	A-5	AAA(sf)/Watch Neg
	A-6	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2004-3	A-6A	AAA(sf)/Watch Neg
	A-6B	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2004-5	A-5	AAA(sf)/Watch Neg
	A-6	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2004-8	A-5	AAA(sf)/Watch Neg
	A-6	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2004-10	A-8	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2005-9	A-6	AAA(sf)/Watch Neg
	A-7A	AAA(sf)/Watch Neg
	A-7B	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2006-4	A-6	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2006-6	A-4	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg

2006-10	A-5B	AAA(sf)/Watch Neg
	A-6	AAA(sf)/Watch Neg
	B	AA+(sf)/Watch Neg
2007-4	A-4B	AAA(sf)/Watch Neg
	A-5	AAA(sf)/Watch Neg
	B-1	AA+(sf)/Watch Neg
	B-2A	AA+(sf)/Watch Neg
	B-2B	AA+(sf)/Watch Neg

SLM Private Credit Student Loan Trust

Series	Class	Rating
2005-A	A-2	AA(sf)/Watch Neg
2005-B	A-2	AA-(sf)/Watch Neg
2006-A	A-2	AA(sf)/Watch Neg
2006-C	A-2	AA(sf)/Watch Neg
2007-A	A-1	AA(sf)/Watch Neg

PHEAA Student Loan Trust I

Series	Class	Rating
2003-1	A-3	AAA(sf)/Watch Neg
2004-1	A-2	AAA(sf)/Watch Neg
	A-3	AAA(sf)/Watch Neg
2005-1	A-1	AAA(sf)/Watch Neg
	A-2	AAA(sf)/Watch Neg

Education Funding Capital Trust-IV

Series	Class	Rating
	A-2	AAA(sf)/Watch Neg
	A-3	AAA(sf)/Watch Neg
	A-4	AAA(sf)/Watch Neg
	A-5	AAA(sf)/Watch Neg
	A-6	AAA(sf)/Watch Neg

GCO Education Loan Funding Master Trust-II

Series	Class	Rating
2006-2	A-2L	AAA(sf)/Watch Neg
	A-3L	AAA(sf)/Watch Neg
	A-1RRN	AAA(sf)/Watch Neg
	A-1AR	AAA(sf)/Watch Neg
	A-2AR	AAA(sf)/Watch Neg
	A-3AR	AAA(sf)/Watch Neg
	A-4AR	AAA(sf)/Watch Neg

Goal Capital Funding Trust 2006-1

Series	2006-1	Rating
	A-2	AAA(sf)/Watch Neg
	A-3	AAA(sf)/Watch Neg
	A-4	AAA(sf)/Watch Neg
	A-5	AAA(sf)/Watch Neg

A-6 AAA(sf)/Watch Neg

Nelnet Student Loan Trust 2006-1

Class	Rating
A-3	AAA(sf)/Watch Neg
A-4	AAA(sf)/Watch Neg
A-5	AAA(sf)/Watch Neg
A-6	AAA(sf)/Watch Neg
B	AA+(sf)/Watch Neg

Nelnet Student Loan Trust 2006-2

A-3	AAA(sf)/Watch Neg
A-4	AAA(sf)/Watch Neg
A-5	AAA(sf)/Watch Neg
A-6	AAA(sf)/Watch Neg
A-7	AAA(sf)/Watch Neg
B	AA+(sf)/Watch Neg

Student Loan ABS Repackaging Trust 2007-1

Class	Rating
1-A-1	AAA/Watch Neg
1-A-IO	AAA/Watch Neg
2-A-1	AAA/Watch Neg
2-A-IO	AAA/Watch Neg
7-A-1	AAA/Watch Neg
7-A-IO	AAA/Watch Neg

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