

SAMPLE LETTER

June 7, 2007

Charles Elliott (C.E.) Andrews  
Chief Executive Officer  
Sallie Mae Corporation  
12061 Bluemont Way  
Reston, VA 20190

Dear Mr. Andrews:

As you may know, the Office of the New York State Attorney General is currently conducting a nationwide investigation of the student loan industry. In addition, the United States Senate Committee on Banking, Housing, and Urban Affairs is presently conducting oversight of the private student loan market and the supervision of the private loan market by federal banking regulators. We are troubled by a number of industry practices which have already surfaced, ranging from conflicts of interest to kickback schemes to consumer frauds. We have now expanded our respective examinations to include criteria used by student loan providers to underwrite private education loans. We are coordinating our efforts to ensure an expeditious, comprehensive, and efficient resolution of our inquiries.

We have both learned from years of experience in the lending area that loan criteria can have powerful public policy and legal ramifications. Given our previously stated concerns, we believe that the criteria used for making private educational loans should be scrutinized as carefully and as extensively as the loan criteria used in the mortgage lending arena. Indeed, just yesterday in the Senate Banking Committee, one major private student lender testified that it uses data as part of its loan underwriting criteria that may disparately impact borrowers based upon their race.

To discharge our duties to investigate, remedy, and prevent injustice in this arena, we require your immediate cooperation in providing us with the requested information. Accordingly, please submit to both our respective offices documents that reflect your institution's recent and, if recently, modified private education loan underwriting criteria, including but not limited to whether your company considers the following factors: college, college location, graduation rate, historic default rate, race, gender, age, parental income, credit history, and any and all other factors used or considered in underwriting determinations. Please also provide the relative weights given to the various factors, any and all algorithms utilized, and all software used in underwriting student loan terms and eligibility. Please also submit all historical data regarding the rates, terms and conditions made for all student loans issued over the past five years as well as all loan applications and relevant data for all loans rejected over the past five years. In order to enhance our review of this loan data information, please provide this information in a searchable computer format. Please provide the underwriting criteria information no later than June 15, 2007, and the historical loan data no later than June 21, 2007.

Please coordinate the production of these documents with Benjamin Lawsky, Deputy Counselor and Special Assistant to Attorney General Cuomo, and Lynsey Graham, Senior Counsel, U.S. Senate Banking Committee Chairman Chris Dodd.

We look forward to your prompt response.

Sincerely,

Christopher J. Dodd  
Chairman  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

Andrew M. Cuomo  
Attorney General of  
the State of New York