

SALLIE MAE, INC.
P. O. Box 4200
Wilkes-Barre, PA 18773-4200
888-545-4199

May 6, 2008

Ms. Karen Mahnk
[REDACTED]
[REDACTED]

Re: Education Loan Account # [REDACTED]

Dear Ms. Mahnk:

This letter is in response to your inquiries addressed to the Chairman of the Board, Anthony P. Terracciano, stating that you do not have education loans with Sallie Mae and that all of your loans were serviced by Educaid.

Sallie Mae services the following loans on your behalf:

Loan Number	Loan Type	Disbursement Date	Original Principal	Outstanding Principal	Interest Rate	Loan Status
1	Stafford	02/26/99	\$5,000.00	\$6,833.01	7.220%	Repayment
2	Stafford	02/26/99	\$5,000.00	\$7,689.54	7.220%	Repayment

On June 24, 2002, Sallie Mae sent you a letter (copy enclosed), explaining that the servicing of your loans had transferred to Sallie Mae. Enclosed is a copy of your Application and Promissory Note for the loans referenced above. Your loans have been serviced by Sallie Mae since that time.

Our records do not indicate that a consolidation payment was received from Educaid for these loans. If you feel this information is incorrect, please contact Educaid and have them provide documentation of the consolidation payment, so that we may further research your concerns.

According to our records, your education loan account is presently 191 days delinquent, with a past due amount of \$1,191.75 and an additional \$170.75 due in late fee assessments. Your next payment of \$170.25 is due on or before May 28, 2008. Therefore, the present amount due on your student loan account is \$1,532.75.

To assist you with loan repayment, there are several alternatives available, including deferments, forbearances, and repayment options. These are listed below.

Deferments:

A deferment is a temporary suspension of payment. However, you must meet certain criteria, as defined by federal regulations, to be eligible for deferment. Available types of deferment include school, public service and hardship. During deferment, the federal government pays accrued interest on "subsidized" loans; if they are "unsubsidized" loans, interest is not paid by the federal government and therefore you may choose to pay the interest or have it capitalized (added to the principal balance). Depending on the year the loans were disbursed, other deferments may be available.

Forbearances:

Forbearance allows you to temporarily suspend payments. During this time, interest on the loans continues to accrue. This interest may be capitalized no more frequently than quarterly and at the end of the forbearance. You can apply for additional forbearances, up to a maximum of five years, but you must realize this option does increase the total amount to be repaid over the life of the loan. Our records indicate that you have only five months of forbearance time remaining.

Repayment options:

Level repayment: Education loans have a maximum 10-year repayment period according to federal regulations. Payment amounts may change annually and are calculated based on the outstanding principal balance and applicable interest rate amortized over the remaining terms. Your education loans are currently in this repayment option.

Income-sensitive repayment: This option is based on payment of a percentage of your gross monthly income. Specifically, you may designate between 4 and 25 percent of your gross monthly income from employment and other sources. You can make income-sensitive payments for up to five years. Proof of income is required, and you need to re-certify every year.

You are welcome to contact me at 888-545-4199, x 3689, if you have any questions.

Sincerely,



Rose Van Dyke
Customer Advocate Unit
Sallie Mae

Enclosure

cc: Anthony P. Terracciano