

Exhibit B

[Executed copy of Liquidity Loan Agreement to be attached]

**LIQUIDITY LOAN AGREEMENT**

by and between

**STRAIGHT-A FUNDING, LLC,**  
as the Issuer

and

**THE FEDERAL FINANCING BANK,**  
as the Liquidity Bank

Dated as of January 19, 2009

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## LIQUIDITY LOAN AGREEMENT

THIS LIQUIDITY LOAN AGREEMENT (this "Agreement") dated as of January 19, 2009, by and between STRAIGHT-A FUNDING, LLC, a Delaware limited liability company (together with its successors and permitted assigns, the "Issuer") and THE FEDERAL FINANCING BANK, a body corporate and instrumentality of the United States of America (in such capacity, together with its successors and permitted assigns in such capacity, the "Liquidity Bank").

### PRELIMINARY STATEMENTS

(1) Funding Note Issuers will issue Funding Notes to the Issuer pursuant to the Funding Note Purchase Agreements in order to fund their purchase or origination of Student Loans that satisfy certain eligibility criteria.

(2) The Issuer has agreed to make Advances from time to time under the Funding Notes and the Funding Note Purchase Agreements to the related Funding Note Issuers. The Funding Notes, the Advances and the Issuer's right, title and interest in, to and under each Funding Note Purchase Agreement are hereinafter referred to as the "Asset Interest".

(3) The Manager may in the future determine from time to time to have the Issuer fund all or a portion of the Asset Interest by borrowing loans (each, a "Loan" and, collectively, the "Loans") from the Liquidity Bank hereunder and pursuant to the terms hereof. For purposes of evidencing the Loans, the Issuer will, simultaneously with becoming a party hereto, issue the Liquidity Loan Note to the Liquidity Bank. The Issuer may fund its acquisition of (and, if applicable, increases in) the Funding Notes by using proceeds of Student Loan Short-Term Notes (the "Student Loan Short-Term Notes") and other securities issued by the Issuer, by borrowing Loans under this Agreement and the Liquidity Loan Note or by obtaining other extensions of credit from various banks, financial institutions and other Persons.

(4) The Liquidity Bank, by becoming a party hereto, commits and agrees to make Loans to the Issuer under this Agreement and the Liquidity Loan Note when requested by the Manager without any explicit limit as to the number of Loans but in an aggregate principal amount outstanding at any time not to exceed the Commitment Amount and otherwise on the terms and conditions set forth in this Agreement.

(5) The Department of Education has determined that the Department of Education is authorized by section 459A of Higher Education Act to provide short-term liquidity to the market for eligible PLUS Loans and Stafford Loans through the Department of Education's existing participation purchase program. The Department of Education has further determined that the Department of Education is authorized by section 459A of Higher Education Act to provide to the Issuer the short-term liquidity contemplated by this Agreement through temporary purchases of eligible student loans, and that the Liquidity Bank is authorized to provide for the Department of Education the short-term liquidity contemplated by this Agreement. The Liquidity Bank has determined that the Liquidity Bank is authorized by section 459A of the Higher Education Act and section 6 of the Federal Financing Bank Act to provide

the Loans contemplated by this Agreement as a means of financing the Department of Education's purchase.

NOW, THEREFORE, the parties agree as follows:

1. Certain Defined Terms.

(a) As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Additional Loan Request” means a request by the Issuer (or the Manager) for a Loan under this Agreement and the Liquidity Loan Note in the event an Uncontrollable Cause has occurred, in the form of request attached as Exhibit B to this Agreement.

“Administration Agreement” means the Administration Agreement dated as of January 19, 2009 between the Issuer and the Conduit Administrator.

“Agent-Related Person” has the meaning specified in Section 6(a).

“Agreement” has the meaning set forth in the preamble.

“Asset Interest” has the meaning set forth in paragraph (2) of the Preliminary Statements.

“Avoided Payment” means any claim that any payment to the Issuer in relation to the Asset Interest constituted a preferential transfer or is otherwise voidable or recoverable under applicable law in the case of an Event of Bankruptcy involving a Funding Note Issuer or otherwise.

“Commitment Amount” means \$60,000,000,000, as such amount may be amended by amendments to this Agreement entered into in accordance with the terms of Section 12(a).

“Conduit Administrator” means The Bank of New York Mellon, and its successors and permitted assigns in such capacity.

“Event of Bankruptcy” means the occurrence of either of the following with respect to any Person:

(a)(i) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue unstayed and undismissed for a period of ninety (90)

days; or (ii) an order for relief in respect of such Person shall be entered in an involuntary case under the Bankruptcy Code or other similar laws of any applicable jurisdiction now or hereafter in effect, and such case or proceeding shall continue unstayed and undismissed for a period of ninety (90) days; or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, winding up, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for, such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to (it being understood that any failure to pay a Student Loan Short-Term Note on its Expected Maturity shall not constitute a failure to pay by the Issuer), or admit in writing its inability to, pay its debts generally as they become due, or its board of directors or other governing body, as applicable, shall vote to implement any of the foregoing.

“Issuer” has the meaning set forth in the preamble.

“LIBOR” means, with respect to any date of determination, the rate for Dollar deposits determined by the Manager, rounded, if necessary to the nearest 0.00001%, appearing on Reuters Screen LIBOR01 Page as the London interbank offered rate for three-month Dollar deposits at approximately 11:00 A.M. (London time) on such date of determination, or, if that day is not a LIBOR Business Day, the next succeeding LIBOR Business Day. If, on any date of determination, such rate does not appear on Reuters Screen LIBOR01 Page, LIBOR shall be the arithmetic mean of the offered quotations of the Reference Banks to prime banks in the London interbank market for three-month Dollar deposits in Europe by reference to request for quotations to the Reference Banks as of approximately 11:00 A.M. (London time) on such date of determination. If, on any date of determination, at least two (2) of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any date of determination, only one (1) or none of the Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in The City of New York are quoting on such date of determination for such three-month Dollar deposits in Europe.

“LIBOR Business Day” means any day on which commercial banks are open in New York, New York and London, England for international business (including for dealings in Dollar deposits).

“Liquidity Bank” has the meaning set forth in the preamble.

“Liquidity Loan Note” means a future advance promissory note payable to the Liquidity Bank, in the form of note attached as Exhibit A to this Agreement.

“Loan” or “Loans” has the meaning set forth in paragraph (3) of the Preliminary Statements.

“Loan Identifier” means, with respect to any Loan, the particular sequence of letters and numbers constituting the Note Identifier plus the particular sequence of additional numbers assigned by the Liquidity Bank to such Loan in the respective interest rate confirmation notice delivered by the Liquidity Bank to the Issuer in accordance with Section 2(a)(2).

“Loan Request” means a request by the Issuer (or the Manager) for a Loan under this Agreement and the Liquidity Loan Note, in the form of request attached as Exhibit B to this Agreement.

“Note Identifier” means the particular sequence of letters and numbers assigned by the Liquidity Bank to the Liquidity Loan Note in the acceptance notice relating to the Liquidity Loan Note delivered by the Liquidity Bank to the Issuer in accordance with Section 2(a)(1).

“Payment Date” means the 25<sup>th</sup> day of a calendar month (or, if such day is not a Business Day, the next succeeding Business Day).

“Rating Agencies” means, collectively, Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., Moody’s Investors Service, Inc. and Fitch, Inc., and their respective successors that are nationally recognized rating agencies.

“Reference Banks” means, at any time, any three major banks in the London interbank market selected by the Manager.

“Register” has the meaning set forth in Section 3(a).

“Relevant Rating Agencies” means, collectively, each of the Rating Agencies then rating any of the Student Loan Short-Term Notes at the request of the Issuer.

“Scheduled Liquidity Termination Date” has the meaning set forth in Section 11.

“Student Loan Short-Term Notes” has the meaning set forth in paragraph (3) of the Preliminary Statements.

“Telephone Verification” means a telephonic confirmation between the Liquidity Bank and the Manager pursuant to which the Manager confirms its delivery of a Loan Request or an Additional Loan Request (as applicable), which confirmation shall be provided by an authorized officer of the Manager other than the officer that executed the applicable Loan Request or Additional Loan Request. For the avoidance of doubt, in the event that the Liquidity Bank’s attempts to obtain Telephone Verification are not initially successful, the Liquidity Bank shall use commercially reasonable efforts to contact the alternate authorized officers designated to provide telephonic confirmations by the Manager to the Liquidity Bank.

“Uncontrollable Cause” means an unforeseeable cause beyond the control and without the fault of the Liquidity Bank, being: act of God, fire, flood, severe weather, epidemic, quarantine restriction, explosion, sabotage, act of war, act of terrorism, riot,

civil commotion, lapse of the statutory authority of the United States Department of the Treasury to raise cash through the issuance of Treasury debt instruments, disruption or failure of the Treasury Financial Communications System, closure of the Federal Government, or any unforeseen or unscheduled closure or evacuation of the offices of the Liquidity Bank.

“Yield” means the greater of (a) LIBOR plus 1.00% per annum, or (b) the rate determined by the Secretary of the Treasury, taking into consideration the current market yield on outstanding marketable obligations of the United States having remaining terms to maturity equal to 90 days, plus 0.05% per annum.

(b) Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in Schedule I to the Administration Agreement. The rules of construction of Article I of the Administration Agreement shall apply to this Agreement as if they were written herein.

## 2. The Loans.

(a)(1) The Issuer will, simultaneously with becoming a party hereto, issue the Liquidity Loan Note to the Liquidity Bank. Within five (5) Business Days after receipt of the Liquidity Loan Note by the Liquidity Bank, the Liquidity Bank shall deliver to the Issuer, by facsimile transmission (fax), an acceptance notice that shall assign a Note Identifier to the Liquidity Loan Note for use by the Issuer in all communications to the Liquidity Bank making reference to the Liquidity Loan Note. The Liquidity Bank commits and agrees, on the terms and conditions of this Agreement, to make Loans to the Issuer under the Liquidity Loan Note, without any right of setoff or recourse to the Issuer except as provided herein during the period from the Business Day following the date of this Agreement to and including the Scheduled Liquidity Termination Date. Subject to the terms and conditions hereof, the Issuer may borrow, repay and reborrow Loans without any explicit limit as to the maximum number of Loans; provided that (A) the aggregate principal amount of the Loans outstanding at any one time shall not exceed the Commitment Amount and (B) the Liquidity Bank shall not be required to make Loans hereunder in excess of \$5,000,000,000 on any single day or \$15,000,000,000 during any single calendar week; provided however, that no more than \$3,000,000,000 of such Loans on any single day or \$10,000,000,000 of such Loans during any single calendar week shall be made with three (3) Business Days’ notice; it being understood that any Loan made in excess of \$3,000,000,000 on any single day or in excess of \$10,000,000,000 during any single calendar week shall each require seven (7) Business Days’ notice.

(2) Each Loan shall be made pursuant to a Loan Request of the Issuer (or the Manager on the Issuer’s behalf) delivered to the Liquidity Bank (with a copy to each of the Conduit Administrator and the Department of Education) no later than the third (3<sup>rd</sup>) Business Day (or the seventh (7<sup>th</sup>) Business Day with respect to any Series-2 Student Loan Short-Term Note) before such Loan is to be made (with the date of notice, but not the date of borrowing counting in such three (3) Business Day (or seven (7) Business Day as applicable) calculation) and that specifies therein the date requested for such borrowing, which must be a Business Day, and the principal amount of such Loan. The Liquidity Bank will request the authenticity of each Loan Request or Additional Loan Request be confirmed by Telephone Verification and the



Manager shall provide such Telephone Verification upon receipt of a request therefor; provided that any failure to request or obtain a Telephone Verification shall not excuse or delay the Liquidity Bank's obligations to fund a Loan in accordance with the respective Loan Request or Additional Loan Request. In the event that a Loan is requested, and the respective Loan Request is received by the Liquidity Bank on or before the third (3<sup>rd</sup>) Business Day (or seventh (7<sup>th</sup>) Business Day as applicable) before the requested borrowing date, then the Liquidity Bank shall transfer such funds to an account designated by the Issuer by electronic funds transfer in immediately available funds in Dollars not later than 3:00 P.M. (Washington, D.C., time) on the requested date for such borrowing, an amount equal to the principal amount of such Loan, determined as set forth in the following paragraph. In the event that a Loan is requested, and the respective Loan Request is received by the Liquidity Bank later than the third (3<sup>rd</sup>) Business Day (or seventh (7<sup>th</sup>) Business Day as applicable) before the requested borrowing date, then the Liquidity Bank shall make the requested Loan as soon as practicable thereafter, but in any event not later than 3:00 P.M. (Washington, D.C. time) on the third (3<sup>rd</sup>) Business Day (or seventh (7<sup>th</sup>) Business Day as applicable) after the receipt of the respective Loan Request, unless the Issuer (or the Manager) delivers to the Liquidity Bank a written cancellation of such Loan Request or a replacement Loan Request specifying a later requested borrowing date. In the event that a Loan is requested, but the requested borrowing date specified in the respective Loan Request is not a Business Day, then the Liquidity Bank shall make the requested Loan on the first day thereafter that is a Business Day.

In the event that an Uncontrollable Cause prevents the Liquidity Bank from making the respective Loan on the requested borrowing date specified in the respective Loan Request, then the Liquidity Bank shall (i) use its best efforts to provide the Manager with same-day notification of the occurrence of such Uncontrollable Cause and another same-day notification when such Uncontrollable Cause ceases to prevent the making of such Loan, and (ii) make such Loan (which Loan shall be in an increased principal amount (as indicated by the Issuer (or the Manager on the Issuer's behalf) in an Additional Loan Request) that includes all discount or interest accrued on the Student Loan Short-Term Notes being repaid (or related Swingline Advances) from the Legal Final Maturity thereof until the date such Loan is in fact made) in accordance with a respective Additional Loan Request on the next Business Day after the Liquidity Bank has provided notice to the Manager that such Uncontrollable Cause ceases to prevent the Liquidity Bank from making such Loan; provided that the Issuer (or the Manager) delivers an Additional Loan Request by 9:00 A.M. (Washington, D.C. time) on the Business Day after the date on which the Liquidity Bank has provided notice that such Uncontrollable Cause has ceased to prevent the making of such Loan. If such Additional Loan Request is delivered after 9:00 A.M. (Washington, D.C. time), then the Liquidity Bank shall use its best efforts to fund the Loan pursuant to the respective Additional Loan Request on such date, but shall not be required to fund such Loan until the Business Day after the Additional Loan Request is delivered. At any time prior to the submission of an Additional Loan Request, the Issuer (or the Manager) may deliver to the Liquidity Bank a written cancellation of the respective Loan Request or a replacement Loan Request or Additional Loan Request specifying a later requested borrowing date or accrued interest as contemplated hereby.

After establishing the Yield applicable to each Loan, the Liquidity Bank shall deliver to the Issuer by facsimile (fax) transmission a written confirmation notice, which confirmation notice shall (a) state the date on which such Loan was made and the applicable

Yield; and (b) assign a Loan Identifier to such Loan for use by the Issuer in all communications to the Liquidity Bank making reference to such Loan.

(3) The principal amount of any Loan shall be an amount, determined by the Manager, equal to (i) (A) the Face Amount of the Student Loan Short-Term Notes being repaid by such borrowing, plus (B) any discount or interest that is accrued and unpaid on such Student Loan Short-Term Notes that will accrue to the Legal Final Maturity of such Student Loan Short-Term Notes, plus (C) in the event that an Uncontrollable Cause prevents the Liquidity Bank from making the Loan on the date specified in the Loan Request, all discount or interest accrued on the Student Loan Short-Term Notes from the Legal Final Maturity thereof until the date the Loan is in fact made (such amount to be specified in an Additional Loan Request); or (ii) the principal and accrued interest on any Swingline Advances made to repay the Student Loan Short-Term Notes; provided, in either case that such Student Loan Short-Term Notes or Swingline Advances shall not have been previously repaid, or financed by a prior borrowing hereunder.

(4) Notwithstanding the foregoing provisions of this Section 2(a), the Liquidity Bank shall not be obligated to make any Loan if, on the date of such borrowing, an Event of Bankruptcy shall then exist with respect to the Issuer.

(b) The Liquidity Bank's commitment to make Loans to the Issuer pursuant to the terms of this Agreement shall be irrevocable and, subject to the limitations provided in Section 2(a), unconditional from the Business Day following the date of this Agreement until the earliest of (i) the Scheduled Liquidity Termination Date; (ii) the date on which the Manager notifies the Liquidity Bank that all Funding Note Purchase Agreements have been terminated, no further Funding Note Purchase Agreements may be entered into, and all principal, discount and interest in respect of the Student Loan Short-Term Notes has been paid in full; and (iii) the date on which the obligation of the Liquidity Bank to make Loans is terminated pursuant to Section 2(f).

(c) This is a revolving loan facility. Accordingly, the Liquidity Bank shall make and remake Loans hereunder notwithstanding any subsequent receipt of payments in respect of the principal thereon, and the Liquidity Bank shall, subject to the limitations provided in Section 2(a), and the other terms and provisions of this Agreement, be obligated to continue to make additional Loans until the Scheduled Liquidity Termination Date.

(d) The Issuer shall pay to the Liquidity Bank a commitment fee payable on the Payment Dates in each of January, April, July and October, commencing on the Payment Date in April 2009 and ending on the Scheduled Liquidity Termination Date on the weighted average aggregate Face Amount of the outstanding Student Loan Short-Term Notes during the three calendar month period most recently ended prior to such Payment Date (or shorter period in the case of the first and last such Payment Dates), at a per annum rate of 0.25%.

(e) The Issuer shall ensure that an amount in the Collection Account at least equal to the amount of the Loan shall be applied (A) to repay Student Loan Short-Term Notes and/or interest or discount accrued thereon (or the principal and accrued interest on any Swingline Advances made to finance the foregoing), (B) to make provision for the payment of

unmatured Student Loan Short-Term Notes and/or interest or discount accrued and to accrue thereon, or (C) to maintain the Asset Interest.

(f) The Issuer shall have the right, upon not less than one (1) Business Day's notice to the Liquidity Bank (with a copy to the Manager), to terminate the commitment of the Liquidity Bank hereunder; provided, that no such termination shall be permitted if (i) such termination would violate the terms of any Program Document or (ii) any Student Loan Short-Term Note remains outstanding. All accrued commitment fees to, but not including the effective date of such termination shall be paid on the effective date of such termination.

(g) If the Issuer or the Manager notifies the Liquidity Bank that any court or other governmental authority has ordered the Issuer, or that the Issuer is or may be otherwise required by law, to return or turn over any Avoided Payment, then, the Liquidity Bank promptly upon receipt of such notice, and in any event prior to the date (as set forth in such notice or otherwise notified by the Issuer or the Manager to the Liquidity Bank) when the Issuer is required to return or turn over such Avoided Payment, shall directly pay to the court or other Person to which such Avoided Payment is required to be returned or turned over the amount of such Avoided Payment, together with the amount of any interest and penalties required to be paid in connection with the return of such payment, which total amount shall (regardless of the Commitment Amount or Scheduled Liquidity Termination Date) be deemed a new Loan made for the account of the Issuer hereunder. Upon any payment by the Liquidity Bank pursuant to this Section 2(g), the Liquidity Bank shall be subrogated to the rights of the Issuer in respect of such Avoided Payment, and the Liquidity Bank shall be entitled to receive any amount thereafter recovered by the Issuer in relation to such Avoided Payment. Any amount so received by the Liquidity Bank shall be deemed to reduce the principal amount of the related Loan by a like amount. This Section 2(g) shall survive any termination of this Agreement.

### 3. Register; Information Regarding the Liquidity Bank.

(a) The Manager will maintain, at its address specified in the Management Agreement, a copy of this Agreement and all counterpart signature pages hereto and a register (the "Register") for the recordation of the Scheduled Liquidity Termination Date and, from time to time, the aggregate outstanding Student Loan Short-Term Notes funded by Loans and the unpaid principal amount of such Loans. The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Register shall be available for inspection by the Issuer, the Conduit Administrator, the Liquidity Bank or any Dealer at any reasonable time and from time to time upon reasonable prior notice.

(b) The Liquidity Bank acknowledges that, in connection with the sale of the Student Loan Short-Term Notes, certain documents containing information relating to the Liquidity Bank, including the identity of the Liquidity Bank may be prepared and distributed to purchasers or prospective purchasers of the Student Loan Short-Term Notes.

### 4. Distribution of Payments.

(a) Each Loan shall mature and be due and payable as provided in the Liquidity Loan Note. The Issuer shall repay the principal amount of each Loan from

distributions of amounts received in respect of the Student Loan Short-Term Notes or the Collateral (together with accrued interest to the date of such repayment on the principal amount repaid as described in the next sentence) in accordance with the priority of payments set forth in the Program Documents. The Issuer shall pay interest on the principal amount of each Loan from time to time outstanding at a rate per annum equal to the Yield. All such interest in respect of principal of any Loan shall be payable on the date such principal amount of such Loan is repaid, in each case in accordance with the priority of payments set forth in the Program Documents. The Issuer agrees that any and all calculations of the amount of accrued interest owed on any Loan, which are made by the Liquidity Bank using the Liquidity Bank's rounding methodology, shall be conclusive and binding for all purposes, absent manifest error. The Issuer shall repay all outstanding Loans and accrued and unpaid interest thereon on the Scheduled Liquidity Termination Date; provided, however, that recourse for repayment of such amounts shall be limited as set forth in Section 12(g). Each payment shall be made when and as due in immediately available funds by electronic funds transfer to the account of the United States Treasury (for credit to the subaccount of the Federal Financing Bank) maintained at the Federal Reserve Bank of New York. Each payment shall be applied as provided in the Liquidity Loan Note.

(b) The Issuer may, with no less than one (1) Business Day's prior notice, prepay the outstanding principal amount of any or all of the Loans in whole or ratably in part, together with accrued and unpaid interest to the date of such prepayment on the principal amount prepaid and all other payments payable in respect thereof pursuant to this Agreement.

(c) If, after the Issuer has paid the Liquidity Bank any amounts pursuant to this Section 4, all or any portion of such amount must be returned for any reason (including any Event of Bankruptcy or other insolvency proceeding), the Liquidity Bank will promptly repay such amount to the Issuer. This requirement shall survive any termination of this Agreement.

#### 5. Representations and Warranties.

(a) Neither the Manager nor the Issuer makes any representation or warranty or assumes any responsibility with respect to:

(i) any statements, warranties or representations made in or in connection with the Funding Note Purchase Agreements or any other Program Document or the execution, legality, validity, enforceability, genuineness or sufficiency of the Funding Note Purchase Agreements, any other Program Document or any instrument or document furnished pursuant thereto;

(ii) the value or collectibility of the Asset Interest, or any Student Loan or other asset related thereto or any related security; or

(iii) the financial condition of the Sellers or the Funding Note Issuers or the ability of the Sellers or the Funding Note Issuers to perform their respective obligations under, or the performance or observance by the Funding Note Issuers of any of their respective obligations under, the related Funding Note Purchase Agreement, any other Program Document or any instrument or document furnished pursuant thereto.

(b) The Issuer represents and warrants that:

(i) the Issuer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to do business and is in good standing in every jurisdiction where the nature of its business requires it to be so qualified, except where the failure to so qualify would not have a material adverse effect on its business, condition or operations;

(ii) the execution, delivery and performance by the Issuer of this Agreement are within the Issuer's limited liability company powers, have been duly authorized by all necessary limited liability company action, and do not contravene (A) the Issuer's organizational documents, (B) any law, rule or regulation applicable to the Issuer, (C) any material contractual restriction binding on the Issuer or its property or, to the best knowledge of the Issuer, affecting the Issuer or its property or (D) any order, writ, judgment award, injunction or decree binding on the Issuer or its property or, to the best knowledge of the Issuer, affecting the Issuer or its property;

(iii) there is no pending or, to the best knowledge of the Issuer, threatened action or proceeding affecting the Issuer before any court, governmental agency or arbitrator which may materially adversely affect the financial condition or operations of the Issuer or the ability of the Issuer to perform its obligations under this Agreement, or which purports to affect the legality, validity or enforceability of this Agreement;

(iv) this Agreement has been duly executed and delivered on behalf of the Issuer; and

(v) this Agreement constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, receivership, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

(c) The Liquidity Bank represents and warrants that:

(i) it is a body corporate and instrumentality of the United States Government duly formed, validly existing and organized under and pursuant to Public Law 93-224 (enacted December 29, 1973);

(ii) it is not in violation of or default under any of the provisions of Public Law 93-224 (enacted December 29, 1973) which would affect its existence or its powers;

(iii) the execution, delivery and performance by it of this Agreement are within its corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (A) its organizational documents or (B) any law, rule or regulation applicable to it (including any such law, rule or regulation regarding per customer lending limits);

(iv) no consent, license, permit, approval or authorization of, or registration, filing or declaration with any Governmental Authority, is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement by or against it;

(v) this Agreement has been duly executed and delivered by it; and

(vi) this Agreement constitutes a valid, binding and enforceable obligation of the Liquidity Bank.

(d) The Liquidity Bank confirms that it has received such documents and information as it has deemed appropriate to make its own decision, independently and without reliance on the Manager, the Issuer or any other Person party to a Program Document, to enter into this Agreement and will, independently and without reliance on the Manager, the Issuer or any other Person party to a Program Document and based on such documents and information as the Liquidity Bank shall deem appropriate at the time, continue to make its own decisions in taking or not taking action hereunder. Except to the extent prohibited by applicable law, the Manager shall furnish to the Liquidity Bank copies of any financial or other documents that the Manager receives from time to time in connection with the Funding Note Purchase Agreements, but the Manager does not assume any responsibility for the authenticity, validity, accuracy or completeness thereof.

6. The Manager.

(a) The Manager and any of its respective Affiliates or any of the officers, directors, employees, agents or attorneys-in-fact of the Manager, the Conduit Administrator or any of their respective Affiliates (each, an “Agent-Related Person”) shall not (i) be liable to the Liquidity Bank for any action taken or omitted to be taken by any of them under or in connection with this Agreement, the Funding Note Purchase Agreements or any other Program Document or the transactions contemplated hereby or thereby (except for its own negligence or willful misconduct), or (ii) be responsible in any manner to the Liquidity Bank for any recital, statement, representation or warranty made by the Issuer or any Affiliate of the Issuer, or any officer thereof, contained in this Agreement, in the Funding Note Purchase Agreements or in any other Program Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Manager under or in connection with, this Agreement, the Funding Note Purchase Agreements or any other Program Document, or for the value of or title to the Asset Interest, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, the Funding Note Purchase Agreements or any other Program Document (except as to itself to the extent otherwise provided herein), or for any failure of the Issuer or any other party (except as to itself to the extent otherwise provided herein) to the Funding Note Purchase Agreements or any other Program Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to the Liquidity Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, the Funding Note Purchase Agreements or any other Program Document, or to inspect the properties, books or records of the Issuer or any of the Issuer’s Affiliates.

(b) The Liquidity Bank acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by any Agent-Related Person hereinafter taken, including any consent to any assignment hereunder or review of the affairs of the Issuer, shall be deemed to constitute any representation or warranty by any Agent-Related Person to the Liquidity Bank as to any matter, including whether the Agent-Related Persons have disclosed material information in their possession. The Liquidity Bank represents to each Agent-Related Person that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement and to extend the Loans to the Issuer hereunder. The Liquidity Bank also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement. Except for any notices, reports, and other documents expressly herein required to be provided to the Liquidity Bank, no Agent-Related Person shall have any duty or responsibility to provide the Liquidity Bank with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Issuer, the Sellers or the Funding Note Issuers which may come into the possession of any of the Agent-Related Persons.

(c) The Manager shall not be liable to the Liquidity Bank in connection with (x) the administration of the Funding Note Purchase Agreements or any other Program Document or (y) this Agreement or any borrowings hereunder, except for its own negligence or willful misconduct. Without limiting the foregoing, the Manager:

(i) may consult with legal counsel (including counsel for the Sellers and the Funding Note Issuers), independent public accountants or other experts and shall not be liable for any action taken or omitted to be taken in good faith in accordance with the advice of such counsel, accountants or other experts;

(ii) shall not be responsible for the performance or observance by the Sellers or the Funding Note Issuers of any of the terms, covenants or conditions of the related Funding Note Purchase Agreement, any other Program Document or any instrument or document furnished pursuant thereto (other than with respect to the Manager as provided in the Management Agreement);

(iii) shall incur no liability by acting upon any notice, consent, certificate or other instrument or writing, or any other communication believed to be genuine and signed, sent or made by the proper party; and

(iv) shall not be deemed to be acting as the Liquidity Bank's trustee or otherwise in a fiduciary capacity hereunder or under or in connection with the Funding Note Purchase Agreements, any other Program Document or the Asset Interest.

7. Rights of the Issuer, the Manager and the Conduit Administrator. The Issuer (or the Conduit Administrator or the Manager, as applicable, on behalf of the Issuer) shall retain the exclusive right, in its sole discretion (subject to the next sentence) to exercise any rights and remedies available under the Funding Note Purchase Agreements, any other Program

Document or any document delivered pursuant thereto or pursuant to applicable law, including the right to approve any amendment, modification or waiver of the Funding Note Purchase Agreements, any other Program Document or any instrument or document delivered pursuant thereto. The Issuer (or the Conduit Administrator or the Manager on behalf of the Issuer) agrees to provide the Liquidity Bank notice of any material amendment, waiver or consent in connection with the Funding Note Purchase Agreements promptly after the effectiveness of the same.

8. Obligations of the Liquidity Bank, Including Confidentiality. The Liquidity Bank understands that the Funding Note Purchase Agreements themselves are confidential documents and the Liquidity Bank agrees that it will not disclose them to any other Person except (a) with the Manager's prior written consent, (b) to the Liquidity Bank's legal counsel or auditors, (c) to any regulatory authority having jurisdiction over the Liquidity Bank, (d) as required by law (including the Freedom of Information Act) or any court of law and (e) to the extent it becomes public information other than due to a breach of this provision. The agreements in this Section 8 shall survive termination of the Agreement, the repayment of all Loans and payment of all other obligations hereunder.

9. Assignability. The Liquidity Bank may not assign any portion of its rights or obligations under this Agreement unless the Issuer and the Manager shall have provided their prior written consent to such assignment and the Manager shall have received from each Relevant Rating Agency written confirmation that its ratings of the Student Loan Short-Term Notes will not be reduced or withdrawn as a result of such assignment. The Liquidity Bank may sell, assign or otherwise transfer all or part of the Liquidity Loan Note; provided that: (i) following any such sale, assignment or transfer the Liquidity Bank shall continue to be fully liable to make Loans and for its other duties and obligations hereunder and under the Liquidity Loan Note; (ii) payments under the Liquidity Loan Note shall continue to be made to the Liquidity Bank in the manner specified therein and any such payment shall be valid and effectual to satisfy and discharge the liability of the Issuer to the extent of the sums so paid; (iii) the Liquidity Bank shall continue to be the party entitled to take actions, grant consents, approvals and waivers, enter into amendments, supplements or modifications and otherwise administer and deal with the Liquidity Loan Note and the Issuer shall be fully protected in relying upon actions, consents, approvals, waivers, amendments, supplements and modifications executed by the Liquidity Bank and in otherwise dealing with the Liquidity Bank with respect to any of the forgoing matters. Nothing in this Agreement shall limit the Manager's ability to assign any portion of its rights or obligations under this Agreement in accordance with the other Program Documents.

10. Participations. The Liquidity Bank may not sell a participation in or to all or a portion of its rights and obligations under this Agreement.

11. Scheduled Liquidity Termination Date; Extension of Scheduled Liquidity Termination Date. Subject to earlier termination of the commitment hereunder pursuant to Section 2(b), the Liquidity Bank's commitment to make Loans to the Issuer under this Agreement shall expire at the close of business on the Business Day immediately prior to the Put Expiration Date (such date as it may be extended in writing by the parties hereto and the Department of Education, being the "Scheduled Liquidity Termination Date").



12. Miscellaneous.

(a) Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Issuer therefrom, shall in any event be effective unless the same shall be in writing and signed by the Liquidity Bank and the Issuer; provided, that no material amendment or waiver (as certified by the Manager) of this Agreement (other than an amendment to extend the Scheduled Liquidity Termination Date) shall be effective unless the Issuer shall have received written confirmation by each of the Relevant Rating Agencies that such amendment shall not cause its rating on the then-outstanding Student Loan Short-Term Notes to be reduced or withdrawn. The Liquidity Bank agrees that it will negotiate in good faith such amendments to this Agreement as may be necessary or advisable to increase the Commitment Amount and to extend the Scheduled Liquidity Termination Date. The Manager shall provide each Dealer, the Department of Education and each Relevant Rating Agency with a copy of each amendment to or waiver or consent under this Agreement promptly. In accordance with Section 12(d), this Agreement shall not be amended without the prior written consent of the Department of Education; provided that, with not less than ten (10) Business Days' prior written notice to the Department of Education, the Liquidity Bank and the Issuer may enter into any such amendment that does not have an adverse effect on the Department of Education.

(b) Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including facsimile communication) and mailed, faxed or delivered: if to a party to this Agreement, at the address specified for such party on Schedule 12(b); if to the Manager or the Conduit Administrator, at its address specified in the Management Agreement or the Administration Agreement, as applicable; if to any Dealer, at its address specified in the Dealer Agreement to which it is a party; and if to the Department of Education, at its address specified in the Put Agreement; or, at such other address as shall be designated by such party in a written notice to the Manager and the Liquidity Bank. All such notices and communications shall, when mailed (excluding any Loan Request or Additional Loan Request), be effective when deposited in the mails and, when faxed (including any Loan Request or Additional Loan Request), be effective when confirmation thereof is received by the transmitter. All notices to the Liquidity Bank making reference to the Liquidity Loan Note or to any Loan made under the Liquidity Loan Note shall identify the Liquidity Loan Note or such Loan by the respective Note Identifier or Loan Identifier, as the case may be, assigned by the Liquidity Bank to the Liquidity Loan Note or such Loan.

(c) Binding Effect. This Agreement shall become effective when it shall have been executed and delivered by each of the parties hereto and thereafter shall be binding upon and inure to the benefit of the Issuer, the Manager, the Conduit Administrator and the Liquidity Bank and their respective successors and assigns. Except as otherwise permitted in the Program Documents, the Issuer shall not assign any portion of the Asset Interest to another Person, unless the Student Loan Short-Term Notes issued to fund or maintain the applicable portion of the Asset Interest shall concurrently be paid in full, and if any such assignment shall be made, the Liquidity Bank's commitment to make Loans to the Issuer shall not inure to the benefit of such other Person. In connection with any assignment by the Issuer of the Asset Interest (or any portion thereof), the Issuer shall comply with any applicable legal requirements, including, if applicable, the Securities Act.

(d) Third Party Beneficiary. The Department of Education is an express and intended third party beneficiary hereof, entitled to enforce the provisions hereof in its own name.

(e) Issuer's Annual Financial Statements; Etc. The Manager shall furnish to the Liquidity Bank, until the later of (i) the Scheduled Liquidity Termination Date and (ii) the date on which the Loans have been paid in full, a copy of (x) the annual audited financial statements of the Issuer and (y) each Monthly Report and Monthly Conduit Administrator's Report furnished to the Issuer or the Conduit Administrator pursuant to the Funding Note Purchase Agreements or any other Program Document, in each case, promptly upon the same becoming available; and (z) a weekly report detailing (A) the maturity profile of the outstanding Student Loan Short-Term Notes, including the aggregate Face Amount of Student Loan Short-Term Notes maturing on the respective maturity dates of such outstanding Student Loan Short-Term Notes, and (B) using reasonable assumptions, a reasonable estimate of the weighted average remaining term to maturity, at the time of the report, of the Student Loans securing each Funding Note purchased by the Issuer.

(f) No Proceedings. Each of the Manager and the Liquidity Bank agrees that it shall not, prior to the date which is one (1) year and one (1) day (or if longer, the applicable preference period then in effect) after the payment in full of the Student Loan Short-Term Notes or any other rated obligations of the Issuer, acquiesce, petition or otherwise, directly or indirectly, invoke or cause the Issuer to invoke the process of any governmental authority for the purpose of commencing or sustaining a case against the Issuer under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of the property of the Issuer, as applicable or ordering the winding up or liquidation of the affairs of the Issuer. The provisions of this Section 12(f) shall survive the termination of this Agreement.

(g) Limitation on Payments. The obligations of the Issuer under this Agreement and the Liquidity Loan Note are solely the obligations of the Issuer. No recourse shall be had for any obligation of the Issuer under this Agreement or under the Liquidity Loan Note (or any claim arising out thereof or related thereto) against any member, manager, holder of any beneficial interest, officer or employee or agent of the Issuer. Notwithstanding any provisions contained in this Agreement to the contrary, the Issuer shall not, and shall not be obligated to, pay any amount due hereunder or under the Liquidity Loan Note including any fees, costs or expenses due pursuant to this Agreement or the Liquidity Loan Note unless the Issuer has received funds which may be used to make such payment in accordance with the priority of payments in the Program Documents. Any amount which the Issuer does not pay pursuant to the operation of the immediately preceding sentence shall not constitute a "claim" (as defined in §101 of the Bankruptcy Code) against or obligation of the Issuer for any such insufficiency unless and until the Issuer satisfies the provisions of such immediately preceding sentence. The provisions of this Section 12(g) shall survive the termination of this Agreement.

(h) GOVERNING LAW; JURISDICTION. THIS AGREEMENT AND THE LIQUIDITY LOAN NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY FEDERAL LAW OF THE UNITED STATES. IF THERE SHALL BE NO FEDERAL LAW OF THE UNITED STATES APPLICABLE TO A MATTER

ARISING UNDER THIS AGREEMENT AND THE LIQUIDITY LOAN NOTE OR THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER OR THEREUNDER, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) SHALL BE DEEMED TO BE REFLECTIVE OF FEDERAL LAW OF THE UNITED STATES INsofar AS TO DO SO WOULD NOT FRUSTRATE THE PURPOSES OF ANY PROVISION OF THIS AGREEMENT AND THE LIQUIDITY LOAN NOTE.

ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, THE LIQUIDITY LOAN NOTE OR ANY ASSIGNMENT MAY BE BROUGHT IN THE COURTS OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE LIQUIDITY LOAN NOTE AND ANY ASSIGNMENT, EACH OF THE ISSUER, THE MANAGER AND THE LIQUIDITY BANK CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURT. EACH OF THE ISSUER, THE MANAGER AND THE LIQUIDITY BANK IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT, THE LIQUIDITY LOAN NOTE, ANY ASSIGNMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE ISSUER, THE MANAGER AND THE LIQUIDITY BANK WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY FEDERAL LAW OF THE UNITED STATES OR NEW YORK LAW.

(i) Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

(j) Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

(k) WAIVER OF JURY TRIAL. THE ISSUER, THE MANAGER AND THE LIQUIDITY BANK EACH WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE ISSUER, THE MANAGER AND THE LIQUIDITY BANK EACH AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL

WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, ANY ASSIGNMENT OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY ASSIGNMENT.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE FEDERAL FINANCING BANK,  
as the Liquidity Bank



By: Meredith M Branc  
Name: Meredith M Branc  
Title: Vice President and Treasurer

STRAIGHT-A FUNDING, LLC, as the Issuer

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE FEDERAL FINANCING BANK,  
as the Liquidity Bank

By: \_\_\_\_\_  
Name:  
Title:

STRAIGHT-A FUNDING, LLC, as the Issuer

By: \_\_\_\_\_  
Name: Jill Russo  
Title: Vice President

## SCHEDULE 12(b)

### Notice Addresses

#### **Liquidity Bank:**

By U.S. Postal Service mail:

The Federal Financing Bank  
Main Treasury Building  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220  
Attention: Chief Financial Officer  
Telephone: (202) 622-2470  
Facsimile No.: (202) 622-0707

By courier or express mail:

The Federal Financing Bank  
Suite 228, National Press Building  
524 - 14th Street, NW  
Washington, DC 20045-1201  
Telephone: (202) 622-2470

For the weekly reports described in Section 12(e)(z) in Excel spreadsheet format by email to:

Office of Debt Management  
Department of the Treasury  
Email addresses:

Karthik.Ramanathan@do.treas.gov; Fred.Pietrangeli@do.treas.gov; Steve.Vajs@do.treas.gov;  
Mojgan.Jian@do.treas.gov; and Nathan.Struempfh@do.treas.gov

#### **Issuer:**

Straight-A Funding, LLC  
68 South Service Road, Suite 120  
Melville, New York 11747  
Attention: Frank Bilotta  
Telephone: (212) 302-5151  
Facsimile No.: (212) 302-8767

With a copy to each of:

The Bank of New York Mellon  
101 Barclay Street, 4E  
New York, New York 10286  
Attention: Andrew J Taylor

BMO Capital Markets Corp.  
115 S. LaSalle St., 13 West  
Chicago, Illinois 60603  
Attention: Bart Steenbergen



**EXHIBIT A**

Form of Liquidity Loan Note

**FOR FFB USE ONLY:**Note Identifier:  
  
\_\_\_\_\_

Purchase Date:

Note Date:	January 19, 2009
Last Day for a Loan:	September 29, 2014
Maximum Principal Amount:	\$60,000,000,000
Final Maturity Date:	September 30, 2014

Washington, DC

**LIQUIDITY LOAN NOTE**  
**(Future Advance Promissory Note)**

**1. Promise to Pay.**

**FOR VALUE RECEIVED, STRAIGHT-A FUNDING, LLC**, a limited liability company organized under the laws of the State of Delaware (“Issuer,” which term includes any successors or assigns), promises to pay the **FEDERAL FINANCING BANK (“FFB”)**, a body corporate and instrumentality of the United States of America (FFB, for so long as it shall be the holder of this Note, and any successor or assignee of FFB, for so long as such successor or assignee shall be the holder of this Note, being the “Holder”), at the times, in the manner, and with interest at the rates to be established as hereinafter provided, such amounts as may be advanced from time to time by FFB to the Issuer under this Note (each such amount being an “Loan” and more than one such amount being “Loans”).

**2. Reference to Liquidity Loan Agreement.**

This Note is a “Liquidity Loan Note” referred to in, and is entitled to the benefits and subject to the requirements of, the Liquidity Loan Agreement dated as of even date herewith, made by and between the Issuer and FFB (such agreement, as it may be amended, supplemented, and restated from time to time in accordance with its terms, being the “Liquidity Loan Agreement”).

**3. Loans; Loan Requests; Timing of Loans; Last Day for a Loan; Manner of Making Loans.**

## ED (FFEL CONDUIT)

(a) Subject to the terms and conditions of the Liquidity Loan Agreement, FFB shall make Loans to Issuer from time to time under this Note, in each case upon the delivery by Issuer to FFB of a written request for a Loan under this Note, in the form of request attached as Exhibit B to the Liquidity Loan Agreement (each such request being a "Loan Request").

(b) FFB shall make each requested Loan on the particular calendar date that the Issuer has requested in the respective Loan Request to be the date on which the respective Loan is to be made (such date being the "Requested Loan Date" for such Loan), subject to the provisions of the Liquidity Loan Agreement describing certain circumstances under which a requested Loan shall be made on a later date; provided, however, that no Loan may be made under this Note after the particular date specified on page 1 of this Note as being the "Last Day for a Loan."

(c) FFB shall make each Loan in immediately available funds by electronic funds transfer to such bank account(s) as shall have been specified by the Issuer in the respective Loan Request.

(d) The Issuer may rescind a Loan Request, but only in accordance with this subparagraph (d).

(1) The Issuer shall deliver to the Liquidity Bank written notification of each rescission of an Loan Request (each such notification being an "Loan Request Rescission Notice"). The Loan Request Rescission Notice must be delivered to the Liquidity Bank by facsimile transmission at (202) 622-0707 or at such other facsimile number or numbers as may be specified from time to time by the Liquidity Bank in a written notice delivered by the Liquidity Bank to the Issuer.

(2) To be effective, a Loan Request Rescission Notice must be received by the Liquidity Bank not later than 3:00 p.m. (Washington, DC, time) on the Business Day immediately preceding the Requested Loan Date.

(3) If a Loan Request Rescission Notice is delivered to rescind a request for a Loan in a principal amount greater than \$100,000,000, to be effective, the delivery of that notice must be accompanied by a rescission fee in an amount equal to the product of (i) the amount by which the amount of the borrowing request exceeds \$100,000,000, times (ii) the yield on the most recently auctioned 28-day United States Treasury bills, as determined by the Secretary of the Treasury as of the Requested Loan Date, times (iii) the number of days in the time period beginning on (but not including) the Requested Loan Date and ending on (and including) the settlement date of the next auction of 28-day United States Treasury bills, divided by 360.

#### **4. Principal Amount of Loans; Maximum Principal Amount.**

The principal amount of each Loan shall be the particular dollar amount of funds that the Issuer has specified in the respective Loan Request as the "Requested Loan Amount" for the respective Loan; provided, however, that the aggregate principal amount of all Loans outstanding at any one time under this Note shall not exceed the particular amount specified on page 1 of this Note as being the "Maximum Principal Amount."

**5. Maturity Date; Final Maturity Date.**

Each Loan shall mature on the 90th calendar day after the Requested Loan Date specified in the Loan Request for the respective Loan (such date being the “Maturity Date” for such Loan), provided that the Maturity Date for such Loan may not be a calendar date that occurs later than the particular date specified on page 1 of this Note as being the “Final Maturity Date” of this Note (such date being the “Final Maturity Date”).

**6. Computation of Interest on Loans.**

(a) Subject to paragraphs 10 and 14 of this Note, interest on the outstanding principal of each Loan shall accrue from the date on which the respective Loan is made to the date on which such principal is due.

(b) Interest on each Loan shall be computed on the basis of (1) actual days elapsed from (but not including) the date on which the respective Loan is made to (and including) the date on which the payment of interest is due; and (2) a year of 360 days.

(c) The interest rate for each Loan shall be established by FFB, at the time the respective Loan is made, the greater of (a) LIBOR plus 1.00% per annum, or (b) the rate determined by the Secretary of the Treasury, taking into consideration the current market yield on outstanding marketable obligations of the United States of comparable maturity, plus 0.05% per annum. For purposes of this Note, “LIBOR” means, with respect to any date of determination, the rate for United States dollar deposits determined by the Manager, rounded, if necessary, to the nearest 0.00001%, appearing on Reuters Screen LIBOR01 Page as the London interbank offered rate for three-month United States dollar deposits at approximately 11:00 a.m. (London time) on such date of determination, or, if that day is not a LIBOR Business Day, the next succeeding LIBOR Business Day. If, on any date of determination, such rate does not appear on Reuters Screen LIBOR01 Page, LIBOR shall be the arithmetic mean of the offered quotations of the Reference Banks to prime banks in the London interbank market for three-month United States dollar deposits in Europe by reference to request for quotations to the Reference Banks as of approximately 11:00 a.m. (London time) on such date of determination. If, on any date of determination, at least two (2) of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any date of determination, only one (1) or none of the Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in The City of New York are quoting on such date of determination for such three-month United States dollar deposits in Europe. Also for purposes of this Note, “LIBOR Business Day” means any day on which commercial banks are open in New York, New York and London, England for international business (including dealings in United States dollar deposits) and “Manager” means the party identified as Manager in Schedule I to the Administration Agreement dated as of even date herewith, between the Issuer and The Bank of New York Mellon, as Conduit Administrator thereunder; “Reference Banks” means, at any time, any three major banks in the London interbank market selected by the Manager.

**7. Payment of Interest.**

Interest accrued on the outstanding principal amount of each Loan shall be due and payable on the Maturity Date for the respective Loan.

**8. Repayment of Principal.**

The outstanding principal amount of each Loan shall be due and payable on the Maturity Date for the respective Loan.

**9. Business Days.**

(a) Whenever the Maturity Date for any Loan or the Final Maturity Date shall fall on a day on which either FFB or the Federal Reserve Bank of New York is not open for business, then the payment that would otherwise be due on such Maturity Date or Final Maturity Date, as the case may be, shall be due on the first day thereafter on which FFB and the Federal Reserve Bank of New York are both open for business (any such day being a "Business Day").

(b) In the event that the Maturity Date for any Loan or the Final Maturity Date falls on a day other than a Business Day, then the extension of time for making the payment that would otherwise be due on such Maturity Date or the Final Maturity Date, as the case may be, shall (1) be taken into account in establishing the interest rate for such Loan, and (2) be included in computing interest in connection with such payment.

**10. Late Payments.**

(a) In the event that any payment of any amount owing under this Note is not made when and as due (any such amount being then an "Overdue Amount"), then the amount payable shall be such Overdue Amount plus interest thereon (such interest being the "Late Charge") computed in accordance with this subparagraph (a).

(1) The Late Charge shall accrue from the scheduled date of payment for the Overdue Amount (taking into account paragraph 9 of this Note) to the date on which payment is made.

(2) The Late Charge shall be computed on the basis of (A) actual days elapsed from (but not including) the scheduled date of payment for such Overdue Amount (taking into account paragraph 9 of this Note) to (and including) the date on which payment is made, and (B) a year of 365 days.

(3) The Late Charge shall accrue at a rate (the "Late Charge Rate") equal to one and one-half times the rate to be determined by the Secretary of the Treasury taking into consideration the current market-bid coupon-equivalent yield on the remaining maturity of the most recently auctioned 13-week United States Treasury bills.

(4) The initial Late Charge Rate shall be in effect until the earlier to occur of either (A) the date on which payment of the Overdue Amount and the amount of the accrued Late Charge is made, or (B) the 91st day after the scheduled date of payment for such Overdue Amount. In the event that the Overdue Amount and the amount of the accrued Late Charge are not paid on or before such 91st day, then the amount payable shall be the sum of the Overdue Amount and the amount of the accrued Late Charge, plus a Late Charge on such sum accruing at a new Late Charge Rate to be then determined in accordance with the principles of clause (3) of this subparagraph (a). For so long as any Overdue Amount remains unpaid, the Late Charge Rate shall be re-determined in accordance with the principles of clause (3) of this subparagraph (a) at 91-day intervals to occur thereafter, and shall be applied to the Overdue Amount and all amounts of the accrued Late Charge to the date on which payment of the Overdue Amount and all amounts of the accrued Late Charge is made.

(b) Nothing in subparagraph (a) of this paragraph 10 shall be construed as permitting or implying that the Issuer may, without the written consent of FFB, modify, extend, alter, or affect in any manner whatsoever (except as explicitly provided herein and in the Liquidity Loan Agreement) the right of FFB to receive any and all payments on account of this Note on the dates specified in this Note.

**11. Final Due Date.**

Notwithstanding anything in this Note to the contrary, all amounts outstanding under this Note remaining unpaid as of the Final Maturity Date shall be due and payable on the Final Maturity Date.

**12. Manner of Making Payments.**

Each payment under this Note shall be paid to FFB in immediately available funds by electronic funds transfer to the account of the United States Treasury (for credit to the subaccount of FFB) maintained at the Federal Reserve Bank of New York, or such other account as may be specified by FFB in a written notice delivered from time to time by FFB to the Board.

**13. Application of Payments.**

Each payment made on this Note shall be applied, first, to the payment of Late Charges (if any) payable under paragraph 10 of this Note, then to the payment of unpaid accrued interest, and then on account of outstanding principal.

**14. Prepayments.**

(a) The Issuer may elect to prepay all or any portion of the outstanding principal amount of any Loan made under this Note, in the manner, at the price, and subject to the limitations specified in this paragraph 14 (each such election being a "Prepayment Election").

(b) The Issuer shall deliver to FFB (and if FFB is not the Holder, then also to the Holder) written notification of each Prepayment Election (each such notification being a "Prepayment Election Notice"), making reference to the "Loan Identifier" that FFB assigned to the respective Loan and communicated to the Issuer (as provided in the Loan Liquidity Agreement) and specifying:

(1) the amount of principal of the respective Loan that the Issuer intends to prepay, which amount may be either:

(A) the total outstanding principal amount of such Loan; or

(B) an amount less than the total outstanding principal amount of such Loan (subject to subparagraph (f) of this paragraph 14) (any such amount being a "Portion"); and

(2) the particular date on which the Issuer intends to prepay the respective Loan or Portion (such date being the "Intended Prepayment Date" for the respective Loan or Portion, which date must be a Business Day.

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(c) To be effective, a Prepayment Election Notice must be received by FFB (and if FFB is not the Holder, then also by the Holder) on or before the Business Day immediately preceding the date specified therein as the Intended Purchase Date for the respective Loan or Portion.

(e) The Issuer shall pay to FFB a price for the prepayment of any Loan or any Portion of any Loan (such price being the "Prepayment Price" for such Loan or Portion, as the case may be) determined as follows:

(1) in the event that the Issuer elects to prepay the entire outstanding principal amount of any Loan, then the Issuer shall pay to FFB a Prepayment Price for such Loan equal to the sum of:

(A) the amount of principal that is being prepaid (par); and

(B) all unpaid interest and Late Charges (if any) accrued thereon through the Intended Prepayment Date; and

(2) in the event that the Issuer elects to prepay a Portion of such Loan, then the Issuer shall pay to FFB a Prepayment Price for such Portion that would equal such Portion's pro rata share of the Prepayment Price that would be required for a prepayment of the entire outstanding principal amount of such Loan.

(e) Payment of the Prepayment Price shall be due to FFB before 3:00 p.m. (Washington, DC, time) on the Intended Prepayment Date.

(f) Each prepayment of a Portion shall, as to the principal amount of such Portion, be subject to a minimum amount equal to \$100,000.00 of principal.

### 15. Non-Recourse.

Notwithstanding any other provision of this Note to the contrary, all payments of principal, accrued interest, and Late Charge (if any) payable by the Issuer hereunder and under the Liquidity Loan Agreement shall be made solely from available funds on deposit in the segregated trust account established as provided in section 3.15 of the Administration Agreement dated as of even date herewith, between the Issuer and The Bank of New York Mellon, as Conduit Administrator thereunder, as such agreement may hereafter be amended, supplemented, and restated from time to time in accordance with its terms (such agreement, as so amended, being the "Administration Agreement," and such segregated trust account so established thereunder being the "Collection Account"). The Holder of this Note, by its acceptance of this Note, agrees that such Holder shall look solely to available funds on deposit in the Collection Account for amounts payable hereunder as provided in the Administration Agreement, and that none of the Issuer nor any member, manager, holder of any beneficial interest, officer or employee or agent of the Issuer shall have any liability in any of their individual capacities to the Holder of this Note for any amounts payable hereunder.

### 16. Amendments to Note.

To the extent not inconsistent with applicable law, this Note, so long as FFB is the holder thereof, shall be subject to modification by such amendments, extensions, and renewals as may be agreed upon from time to time by FFB and the Issuer, with the consent of the Department of Education.

## LIQUIDITY LOAN NOTE

17. **Certain Waivers.**

The Issuer hereby waives any requirement for presentment, protest, or other demand or notice with respect to the Note.

18. **Note Effective Until Paid.**

This Note shall continue in full force and effect until all amounts due and payable hereunder have been paid in full.



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**IN WITNESS WHEREOF**, the undersigned, as an authorized official of the Issuer, has executed this Note in New York, New York, by affixing his signature hereto as of the date hereof.

**STRAIGHT-A FUNDING, LLC**  
(the "Issuer")

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**

Form of Loan Request/Additional Loan Request

[ADDITIONAL]<sup>1</sup> LOAN REQUEST

Federal Financing Bank  
Main Treasury Building  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220  
Attention: Chief Financial Officer  
Facsimile: (202) 622-0707  
Telephone: (202) 622-2470

Reference is made to:

- a. the Liquidity Loan Agreement dated January 19, 2009, by and between Straight-A Funding, LLC, a Delaware limited liability company (the "Issuer") and The Federal Financing Bank, a body corporate and instrumentality of the United States of America (the "FFB") (the "Loan Agreement");
- b. the Liquidity Loan Note dated January 19, 2009, in the maximum principal amount of \$60,000,000,000 at any time outstanding, made by the Issuer, payable to the FFB (Note Identifier: \_\_\_\_\_<sup>2</sup>) (the "Note"); and
- c. the Management Agreement dated February 6, 2009, by and between the Issuer and BMO Capital Markets Corp., a company duly organized under the laws of the State of Delaware (the "Manager") (the "Management Agreement").

Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to them in the Note and the Loan Agreement.

The undersigned, as an authorized official of the Manager, hereby requests, on behalf of the Issuer, that the FFB make a Loan ("this Loan") under, pursuant to, and in accordance with the applicable terms of the Note.

The undersigned further requests that this Loan be made as follows:

1. Requested Loan Amount (Initial Loan Request):

The principal amount of this Loan is requested to be

\$ \_\_\_\_\_<sup>3</sup>.

*[Substitute paragraph 1A below for paragraph 1 above if this is an Additional Loan Request]*

- [1A. Additional Loan Request (Uncontrollable Cause Loan Request):

---

<sup>1</sup> Use "Additional Loan Request" in the event that an Uncontrollable Cause has occurred.

<sup>2</sup> Insert the "Note Identifier" that FFB assigned to the Note and communicated to the Issuer (as provided in the Loan Agreement).

<sup>3</sup> Insert the amount of funds that is requested to be disbursed by FFB to the Issuer as a Loan under the Note.

An additional principal amount for this Loan is requested to be

\$ \_\_\_\_\_, which, when added to the principal Loan requested on [insert date of original request], shall make the aggregate principal amount requested for this Loan \$[\_\_\_\_\_].<sup>4</sup>

2. Requested Loan Date:

This Loan is requested to be made on:

\_\_\_\_\_.<sup>5</sup>

3. Maturity Date:

This Loan shall mature on

\_\_\_\_\_.<sup>6</sup>

4. Loan Request:

This Loan is requested with [three (3)] [seven (7)] Business Days' notice.

*[Substitute paragraph 4A below for paragraph 4 above if this is an Additional Loan Request]*

[4A. Additional Loan Request:

This is an Additional Loan Request and replaces the Loan Request dated [insert date of original request.]

**Attention:** This Loan is requested with same-day notice.]

5. The funds comprising this Loan are requested to be disbursed by electronic funds transfer to the following account(s):

\$ \_\_\_\_\_

Name of financial institution \_\_\_\_\_

Address of financial institution \_\_\_\_\_

ABA number of financial institution \_\_\_\_\_

<sup>4</sup> Such amount shall include all interest accrued from the Legal Final Maturity until the date such Loan is in fact made, which is a result of an Uncontrollable Cause.

<sup>5</sup> Insert the calendar date that the Manager requests to be the date on which funds are to be disbursed.

<sup>6</sup> Insert the calendar date that is the earlier to occur of (a) 90 calendar days after the date specified in paragraph 2 as the "Requested Loan Date," and (b) September 30, 2014.

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Account no. \_\_\_\_\_

Account name \_\_\_\_\_

Taxpayer ID number \_\_\_\_\_

The undersigned hereby certifies that, as of the date of this [Additional]<sup>7</sup> Loan Request:

1. The Requested Loan Amount for this Loan has been determined by the Manager consistent with Section 2(a)(3) of the Loan Agreement and Section 3.02(e)(ii), (f)(ii), (g) or (h), as the case may be, of the Management Agreement; and the Manager has in its possession, available for inspection, supporting documentation that substantiates the determination of the Requested Loan Amount.
2. The Requested Loan Amount for this Loan, when added to the aggregate principal amount of all outstanding Loans (if any) made by the FFB to the Issuer under the Note on the same day and in the same week, does not cause the resulting sum to exceed the limitations on Loans in one day and Loans in one week stated in Section 2(a)(1) of the Loan Agreement.
3. The Requested Loan Amount for this Loan, when added to the aggregate principal amount of all outstanding Loans (if any) made by the FFB to the Issuer under the Note, does not exceed the Maximum Principal Amount of the Note.
4. The authority of the Manager to request this Loan on behalf of the Issuer is valid and in full force and effect.
5. The authority of the undersigned official of the Manager to request this Loan on behalf of the Manager is valid and in full force and effect.

[NAME OF MANAGER]

("Manager")

on behalf of

STRAIGHT-A FUNDING, LLC,

("Issuer")

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date \_\_\_\_\_

***[COMPLETE AND ATTACH EXHIBIT A]***

<sup>7</sup> Use "Additional Loan Request" in the event that an Uncontrollable Cause has occurred.

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With a copy to:

The Bank of New York Mellon  
101 Barclay Street, 4E  
New York, New York  
Attention: Andrew J. Taylor

United States Department of Education  
400 Maryland Avenue, SW  
UCP, Room 111G3  
Washington, DC 20202-5402  
Attention: FFEL Agreement Process Team

Exhibit A to

[Additional]<sup>8</sup> Loan Request dated [\_\_\_\_], pursuant to the Loan Agreement and the Management Agreement.

\_\_\_\_\_ Face Amount of Student Loan Short-Term Notes maturing on Expected Maturity  
 \$ \_\_\_\_\_

+ Plus amount of discount or interest accrued or to accrue and unpaid on such Face Amount from the Expected Maturity to the Legal Final Maturity of such Student Loan Short-Term Notes

\$ \_\_\_\_\_

- Less any amount not to be financed from the proceeds of this Loan (explain)

\$ \_\_\_\_\_

= \$ \_\_\_\_\_ (Requested Loan Amount)

Or

\_\_\_\_\_ Principal amount of Swingline Advance made to repay the Face Amount of maturing Student Loan Short-Term Notes  
 \$ \_\_\_\_\_

+ Plus amount of accrued or to accrue interest on Swingline Advance made to repay the Face Amount of maturing Student Loan Short-Term Notes

\$ \_\_\_\_\_

- Less any amount not to be financed from the proceeds of this Loan (explain)

\$ \_\_\_\_\_

= \$ \_\_\_\_\_ (Requested Loan Amount)

Or

\_\_\_\_\_ In the event of an Uncontrollable Cause, amount of accrued interest from the Legal Final Maturity of such Student Loan Short-Term Notes until the new Requested Loan Date  
 \$ \_\_\_\_\_ [orig. req. Loan amt.] x \_\_\_\_% [daily int. rate] x \_\_\_\_ [no. of days]

= \$ \_\_\_\_\_ (Additional Requested Loan Amount)

Or

\_\_\_\_\_ In the event that an Avoided Payment is ordered or required by law to be returned or turned over by the Issuer  
 \$ \_\_\_\_\_ (Amount of Avoided Payment) (explain)

<sup>8</sup> Use "Additional Loan Request" in the event that an Uncontrollable Cause has occurred.

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+ Plus amount of accrued interest and penalties  
\$ \_\_\_\_\_  
= \$ \_\_\_\_\_ (Requested Loan Amount)



Organizational Chart for Straight-A Program

