

Fitch Takes Various Actions on NorthStar Guarantee, Inc. - 2000 Trust Indenture

Fitch Ratings-NY-08 July 2014: Fitch Ratings affirms the senior student loan notes at 'AAAsf' and upgrades the subordinate notes to 'Asf' from 'A-sf' issued by NorthStar Guarantee, Inc.-2000 Trust Indenture. The Rating Outlook remains Stable for both classes.

Key Rating Drivers

High Collateral Quality: The trust collateral consists of 100% of Federal Family Education Loan Program (FFELP) loans. The credit quality of the trust collateral is high, in Fitch's opinion, based on the guarantees provided by the transaction's eligible guarantors and reinsurance provided by the U.S. Department of Education (ED) for at least 97% of principal and accrued interest. Fitch currently rates the U.S. 'AAA' with Outlook Stable.

Sufficient Credit Enhancement: CE is provided by overcollateralization (OC; the excess of trust's asset balance over bond balance) and excess spread. As of the May 2014 servicer report, senior and total parity was 108.09% and 102.03%, respectively.

Adequate Liquidity Support: Liquidity support is provided by a reserve account. The reserve is sized equal to the greater of 0.75% of the pool balance, and \$2,500,000.

Acceptable Servicing Capabilities: Great Lakes Educational Loan Services, Inc. is responsible for the day to day servicing of the student loans. Fitch believes Great Lakes to be an acceptable servicer of FFELP student loans.

Rating Sensitivities

Since FFELP student loan ABS rely on the U.S. government to reimburse defaults, 'AAAsf' FFELP ABS ratings will likely move in tandem with the 'AAA' U.S. sovereign rating. Aside from the U.S. sovereign rating, defaults and basis risk account for the majority of the risk embedded in FFELP student loan transactions. Additional defaults and basis shock beyond Fitch's published stresses could result in future downgrades. Likewise, a buildup of credit enhancement driven by positive excess spread given favorable basis factor conditions could lead to future upgrades.

Fitch has taken the following rating actions:

NorthStar Guarantee, Inc. - 2000 Trust Indenture

Series 2000

--Class B upgraded to 'Asf' from 'A-sf'; Outlook Stable.

Series 2002

--Class A-2 affirmed at 'AAAsf'; Outlook Stable;

--Class A-3 affirmed at 'AAAsf'; Outlook Stable;

--Class A-4 affirmed at 'AAAsf'; Outlook Stable;

--Class A-5 affirmed at 'AAAsf'; Outlook Stable;

--Class B-1 upgraded to 'Asf' from 'A-sf'; Outlook Stable.

Series 2004-1

--Class B-1 upgraded to 'Asf' from 'A-sf'; Outlook Stable.

Series 2004-2

--Class A-2 affirmed at 'AAAsf'; Outlook Stable;

--Class A-3 affirmed at 'AAAsf'; Outlook Stable;

--Class A-4 affirmed at 'AAAsf'; Outlook Stable;

--Class B upgraded to 'Asf' from 'A-sf'; Outlook Stable.

Series 2005-1

--Class A-1 affirmed at 'AAAsf'; Outlook Stable;

--Class A-2 affirmed at 'AAAsf'; Outlook Stable;

--Class A-3 affirmed at 'AAAsf'; Outlook Stable;

--Class A-4 affirmed at 'AAAsf'; Outlook Stable;

--Class A-5 affirmed at 'AAAsf'; Outlook Stable;

--Class B upgraded to 'Asf' from 'A-sf'; Outlook Stable.

Series 2007-1

--Class A-1 affirmed at 'AAAsf'; Outlook Stable;

--Class A-2 affirmed at 'AAAsf'; Outlook Stable;

--Class A-3 affirmed at 'AAAsf'; Outlook Stable;

--Class A-4 affirmed at 'AAAsf'; Outlook Stable;

--Class A-5 affirmed at 'AAAsf'; Outlook Stable;

--Class A-6 affirmed at 'AAAsf'; Outlook Stable;

--Class A-7 affirmed at 'AAAsf'; Outlook Stable;

--Class A-8 affirmed at 'AAAsf'; Outlook Stable;

--Class B upgraded to 'Asf' from 'A-sf'; Outlook Stable.

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Applicable Criteria and Related Research:
--'Global Structured Finance Rating Criteria' dated May 20,
2014;
--'Rating U.S. Federal Family Education Loan Program Student
Loan ABS Criteria' dated June 23, 2014.