OFFERING MEMORANDUM

$686,600,000
Student Loan Asset Backed Notes
Series 2012-1

NorthStar Student Loan Trust I
Issuing Entity

NorthStar Education Finance, Inc.
Sponsor

NorthStar Capital Markets Services, Inc.
Administrator and Master Servicer

We are issuing the following classes of notes (the "notes"):

Series	Original Principal Amount	Interest Rate	Final Maturity Date	Price to Public
Senior Class A Notes	$674,600,000	1-month LIBOR plus 0.70%	December 26, 2031	100%
Subordinate Class B Notes	12,000,000	NRO	January 25, 2032	NRO

The notes are obligations of NorthStar Student Loan Trust I (the "trust") only and will be secured primarily by the student loans and other assets described herein. The Class B notes are not being offered pursuant to this Offering Memorandum. No payments of principal or interest on the Class B notes will be paid from the trust estate securing the Class A notes prior to the payment in full of the principal and interest on the Class A notes. The Class B notes, but not the Class A notes, are additionally secured by and payable from moneys released from the indenture of trust, dated as of May 1, 2006, between NorthStar Education Finance, Inc. and U.S. Bank National Association, as trustee, as described herein. The Class A notes are not obligations of the sponsor, the depositor, the administrator, the indenture trustee, the Delaware trustee or any of their affiliates, other than the trust as described herein. Credit enhancement for the Class A notes will include overcollateralization, excess spread, cash on deposit in a Capitalized Interest Fund and a Reserve Fund and the subordination of the Class B notes, as described in this Offering Memorandum.

The Class A notes will receive monthly distributions of interest and principal on the 25th day of each month as described in this Offering Memorandum, or if such day is not a business day, the next business day beginning December 26, 2012. On each monthly distribution date, money will be allocated for payment of principal on the Class A notes as described herein.

The Class A notes offered hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or territory in the United States and, unless registered or qualified, may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. The Class A notes are being offered only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on an exemption from the registration requirements of the Securities Act. For further details about eligible offerees and resale restrictions, see the caption "NOTICE TO INVESTORS" herein.

You should consider carefully the "RISK FACTORS" beginning on page 9 of this Offering Memorandum. It is a condition to the issuance of the Class A notes that they be rated as set out under the caption "SUMMARY OF TERMS—Rating of the Class A Notes" herein.

The Class A notes have not been registered with, or approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

We are offering the Class A notes through the initial purchaser, when and if issued. The Class A notes will be delivered in book-entry form on or about October 25, 2012.

RBC Capital Markets

October 16, 2012

This Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of the trust or the initial purchaser, to subscribe for or purchase, any of the Class A notes in any circumstances or in any state or other jurisdiction where such offer or invitation is unlawful. No action has been taken or will be taken to register or qualify the Class A notes or otherwise to permit a public offering of the Class A notes in any jurisdiction where actions for that purpose would be required. The distribution of this Offering Memorandum and the offering of the Class A notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the trust and the initial purchaser to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Class A notes and distribution of this Offering Memorandum, see the caption "NOTICE TO INVESTORS" herein.

This Offering Memorandum has been prepared by us solely for use in connection with the proposed offering of the Class A notes described herein. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or the public generally to subscribe for or otherwise acquire the Class A notes. Any distribution of this Offering Memorandum in whole or in part to any person other than the offeree or such offeree's advisers is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to herein.

No person has been authorized to give any information or to make any representations other than those contained in this Offering Memorandum. If given or made, such information or representations must not be relied upon as having been authorized by us or the initial purchaser. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has not been any change in the facts set forth in this Offering Memorandum or in the affairs of any party described herein since the date hereof.

In making an investment decision, prospective investors must rely on their own independent investigation of the terms of the offering and weigh the merits and the risks involved with ownership of the Class A notes. We will furnish any additional information (to the extent we have such information or can acquire such information without unreasonable effort or expense and to the extent we may lawfully do so under the Securities Act or applicable local laws or regulations) necessary to verify the information furnished in this Offering Memorandum. Representatives of the trust, the sponsor, the administrator and the initial purchaser will be available to answer questions from investors interested in purchasing Class A notes concerning the Class A notes, the Class B notes, the trust and the financed student loans.

Prospective investors are not to construe the contents of this Offering Memorandum or any prior or subsequent communications from the trust, the sponsor, the administrator or the initial purchaser, or any of their officers, employees or agents as investment, legal, accounting, regulatory or tax advice. Prior to any investment in the Class A notes, a prospective investor should consult with its own advisors to determine the appropriateness and consequences of such an investment in relation to that investor's specific circumstances.

The Class A notes have not been and will not be registered under the Securities Act or under the securities laws of any state ("Blue Sky" laws). Unless registered under the Securities Act, the Class A notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in full compliance with any applicable Blue Sky laws. Accordingly, the Class A notes are being offered and sold by the initial purchaser to "qualified institutional buyers" in transactions exempt from the registration requirements of the Securities Act. Each purchaser is hereby notified that the offer and sale of the Class A notes to it may be made in reliance on the exemptions from the registration requirements of the Securities Act provided by Rule 144A. None of the trust, the sponsor, the administrator, the initial purchaser or any of their affiliates make any undertaking to register the Class A notes under any state or federal securities laws on any future date. The resale, transfer or pledge of the Class A notes is further restricted as described in "NOTICE TO INVESTORS" herein.

Each purchaser of the Class A notes will be deemed by its acceptance of such Class A notes to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the Class A notes as described in this Offering Memorandum and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. The Class A notes will bear a legend referring to such restrictions and investors must be prepared to bear the risks of their acquisition of the Class A notes for an indefinite period of time. See the caption "NOTICE TO INVESTORS" herein.

The initial purchaser makes no representations or warranties as to the accuracy or completeness of the information described in this Offering Memorandum, and nothing herein shall be deemed to constitute such a representation or warranty by the initial purchaser nor a promise or representation as to our future performance or the future performance of the financed student loans or the Class A notes.

The Class A notes are being offered subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to the approval of certain legal matters by counsel and certain other conditions. No Class A notes may be sold without delivery of this Offering Memorandum.

In connection with the offering, the initial purchaser may over allot or effect transactions with a view to supporting the market price of the Class A notes at levels above that which might otherwise prevail in the open market for a limited period. However, there is no obligation to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCLOSURE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The CUSIP identification numbers are provided in this Offering Memorandum and are being provided solely for the convenience of bondholders only, and neither the trust nor the sponsor makes any representation with respect to such numbers or undertake any responsibility for their accuracy.

FOR NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER NEW HAMPSHIRE REVISED STATUTE ANNOTATED, CHAPTER 421-B ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED TO OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE INVESTOR OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the Class A notes, the trust will be required, for so long as any Class A note is a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act, to provide, upon request of a holder of a note, to such holder and a prospective purchaser designated by such holder, the information which is required to be delivered under Rule 144A(d)(4) under the Securities Act, if at the time of the request the trust is not a reporting company under Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended.

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SUMMARY OF TERMS

The following summary is a very general overview of the terms of the Class A notes and does not contain all of the information that you need to consider in making your investment decision.

Before deciding to purchase the Class A notes, you should consider the more detailed information appearing elsewhere in this Offering Memorandum. We may not sell the Class A notes until this Offering Memorandum for the Class A notes is delivered in final form.

The words "we", "us", "our" and similar terms, as well as references to the "issuing entity" and the "trust" refer to NorthStar Student Loan Trust I. This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. See the caption "SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS" herein.

Principal Parties and Dates

Issuing Entity

- NorthStar Student Loan Trust I

Depositor

- NorthStar Education Funding I, L.L.C.

Sponsor

- NorthStar Education Finance, Inc.

Administrator

- NorthStar Capital Markets Services, Inc. (such duties will be subcontracted to NorthStar Education Services LLC). NCMS is not affiliated with either the trust or the sponsor. See the caption "THE SPONSOR, THE ADMINISTRATOR, THE MASTER SERVICER AND THE SERVICER—The Administrator and Master Servicer" herein.

Master Servicer

- NorthStar Capital Markets Services, Inc. (such duties will be subcontracted to NorthStar Education Services LLC).

Servicer

- Great Lakes Educational Loan Services, Inc.

Eligible Lender Trustee and Indenture Trustee

- U.S. Bank National Association

Delaware Trustee

- Wilmington Trust, National Association

Distribution Dates

Distribution dates for the Class A notes will be the 25th day of each month, beginning December 26, 2012. We sometimes refer to these dates as "monthly distribution dates." The calculation date for each monthly distribution date generally will be the second business day before such monthly distribution date. If any monthly distribution date is not a business day, the monthly distribution will be made on the next business day.

Collection Periods

The collection periods will be the full calendar month preceding each monthly distribution date. However, the initial collection period will begin on the closing date and end on November 30, 2012.

Interest Accrual Periods

The initial interest accrual period for the Class A notes begins on the closing date and ends on December 25, 2012. For each other monthly distribution date, the interest accrual period will begin on the immediately preceding monthly distribution date and end on the day before such current monthly distribution date.

Statistical Cut-off Dates

The information presented in this Offering Memorandum relating to the student loans we expect to acquire on the closing date is as of August 31, 2012, which we refer to as the statistical cut-off date. We believe that the information set forth in this Offering Memorandum with respect to the student loans as of the statistical cut-off date is representative of the characteristics of the student loans as they will exist on the closing date for the Class A notes, although certain characteristics on any student loans acquired after the statistical cut-off date may vary.

Closing Date

The closing date for this offering is expected to be October 25, 2012.

Description of the Class A Notes

General

NorthStar Student Loan Trust I is offering its Student Loan Asset-Backed Notes, Senior Class A notes in the aggregate principal amount of $674,600,000 (the "Class A notes") pursuant to this Offering Memorandum. Simultaneously with the issuance of the Class A notes, the trust is issuing $12,000,000 of its Student Loan Asset Backed Notes, Series 2012-1, Subordinate Class B notes (the "Class B notes" and, together with the Class A notes, the "notes"). The Class A notes will be senior notes and the Class B notes will be subordinate notes. The Class B notes are not being offered pursuant to this Offering Memorandum.

The Class A notes and Class B notes are debt obligations of the trust and will be issued pursuant to the indenture. The Class A notes will receive payments primarily from collections on a pool of student loans held by the trust and pledged under the indenture. No payments of principal or interest on the Class B notes will be paid from the trust estate securing the Class A notes prior to the payment in full of the principal and interest on the Class A notes. The Class B notes, but not the Class A notes, are additionally secured by and payable from certain amounts released from the indenture of trust, dated as of May 1, 2006 (the "2006-A Indenture"), between NorthStar Education Finance, Inc. and U.S. Bank National Association, as trustee, as described herein

The Class A notes will be issued in minimum denominations of $100,000 and in integral multiples of $1,000 in excess thereof. Interest and principal on the Class A notes will be payable to the record owners of the Class A notes as of the close of business on the day before the related monthly distribution date.

Interest on the Class A Notes

The Class A notes will bear interest at an annual rate equal to one-month LIBOR, plus 0.70%. The indenture trustee will determine the rate of interest on the Class A notes on the second business day prior to the start of the applicable interest accrual period. Interest on the Class A notes will be calculated on the basis of the actual number of days elapsed during the interest accrual period divided by 360. For the initial interest accrual period, the indenture trustee will determine the LIBOR rate according to a formula described under the caption "DESCRIPTION OF THE CLASS A NOTES—Interest Payments" herein.

Interest accrued on the outstanding principal balance of the Class A notes during each interest accrual period will be paid on the following monthly distribution date in the order and priority described under the caption "Flow of Funds" below.

Principal Payments on the Class A Notes

Principal distributions will be allocated to the Class A notes on each monthly distribution date until the Class A notes are paid in full. No principal or interest payments will be made on the Class B notes, other than from certain amounts released from the 2006-A Indenture, until all of the Class A notes have been paid in full. It is anticipated that the Class B notes will be fully paid from certain amounts released from the 2006-A Indenture prior to the payment in full of the Class A notes. On the closing date, the sum of the aggregate outstanding principal balance of the financed student loans, accrued interest on the financed student loans and the Capitalized Interest Fund, Collection Fund and Reserve Fund balances will be approximately 103.51% of the aggregate principal amount of the Class A notes. See "DESCRIPTION OF THE CLASS A NOTES—Principal Payments on the Class A Notes" herein.

Description of the Trust

General

NorthStar Student Loan Trust I is a Delaware statutory trust formed pursuant to Chapter 38 of Title 12 of the Delaware Code, the operations of which are generally limited to acquiring, holding and managing student loans originated under the Federal Family Education Loan Program ("FFELP") and other assets of the trust, issuing and making payments on the notes and any other incidental or related activities.

The trust will use the proceeds from the sale of the Class A notes and the Class B notes to purchase student loans and to make deposits to the Capitalized Interest Fund, the Collection Fund and the Reserve Fund. See the caption "SOURCES AND USES OF FUNDS" herein.

The only sources of funds for payment of all of the notes issued under the indenture are the FFELP student loans, cash and investments pledged under the indenture and the payments the trust receives on those student loans and investments; provided, however, the Class B notes, but not the Class A notes, are additionally secured from certain amounts released from the 2006-A Indenture as described herein and, other than from such amounts released from the 2006-A Indenture, no principal or interest payments will be made on the Class B notes until all of the Class A notes have been paid in full.

The Trust's Assets

The assets of the trust will include:

- the FFELP student loans financed with the proceeds of the sale of the notes a contribution from the sponsor;
- collections and other payments received on account of the financed student loans;
- our rights under certain agreements, including the master servicing agreement, any servicing agreement, any guarantee agreement, the eligible lender trust agreement and any student loan purchase agreement related to the financed student loans; and
- cash and investments held in funds created under the indenture (which include the Acquisition Fund, the Capitalized Interest Fund, the Collection Fund, the Department Rebate Fund and the Reserve Fund), including the initial required deposits to the Capitalized Interest Fund, the Collection Fund and the Reserve Fund.

In addition, for the payment of the Class B notes, but not the Class A notes, the trust will have an assignment and security interest in the certain amounts released from the 2006-A Indenture as described herein.

The sponsor or its affiliates have originated or acquired the student loans to be sold to the trust in the ordinary course of their student loan financing business. The depositor will acquire the student loans from the sponsor, which will acquire certain of such student loans from affiliates of the sponsor on or prior to the closing date. Guarantee agencies described below in "Information Relating to the Guarantee Agencies" guarantee all of the financed student loans and such financed student loans are reinsured by the U.S. Department of Education. Pursuant to a FFELP student loan sale and residual interest contribution agreement, the depositor will sell the financed student loans to the trust, with the eligible lender trustee holding legal title to the student loans, and contribute its residual interest in the 2006-A Indenture.

Except under limited circumstances set forth in the indenture, financed student loans may not be transferred out of the trust estate while any of the notes are outstanding. Notwithstanding the foregoing, the trust may sell financed student loans so long as (i) the sale price for each such financed student loan is not less than the amount required to prepay in full such financed student loan under its terms, (ii) the aggregate principal balance of all such sales of financed student loans does not exceed 2% of the initial Pool Balance and (iii) any such sale of student loans will not cause a material change in the overall composition of the pool of financed student loans. See the caption "SUMMARY OF THE INDENTURE PROVISIONS—Sale of financed student loans held in trust estate" herein.

"Pool Balance" means, for any date, the aggregate principal balance of the financed student loans on that date, including accrued interest that is expected to be capitalized, after giving effect to the following, without duplication:

- all payments received by the trust through that date from borrowers under the financed student loans;
- all amounts received by the trust through that date from sales of financed student loans;
- all liquidation proceeds and realized losses on the financed student loans through that date;
- the aggregate amount of any adjustments to balances of the financed student loans that any servicer makes under a servicing agreement through that date; and
- the aggregate amount by which reimbursements from guarantee agencies of the unpaid principal balance of defaulted financed student loans through such date are reduced from 100% to 97%, or other applicable percentage as required by the risk sharing provisions of the Higher Education Act of 1965, as amended (the "Higher Education Act").

Representations and Warranties Regarding Student Loans

The depositor will make certain representations and warranties concerning the financed student loans sold to the trust. In addition, the depositor will assign its interests in the FFELP student loan purchase and residual interest contribution agreement with the sponsor pursuant to which the sponsor will make similar representations and warranties with respect to those student loans. Each student loan held under the indenture must constitute an eligible loan under the indenture. Pursuant to the FFELP student loan sale and residual interest contribution agreement and the FFELP student loan purchase and residual interest contribution agreement, respectively, each of the depositor and the sponsor has agreed to repurchase any financed student loan, within 30 days of a request for such repurchase, which did not constitute an eligible loan on its date of transfer due to actions taken or failed to be taken by owners of the financed student loans prior to the trust's purchase of the financed student loan or if the transfer should fail to provide the indenture trustee or the eligible lender trustee with good title to a financed student loan. See the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—FFELP Student Loan Sale and Residual Interest Contribution Agreement" herein.

The Acquisition Fund

On the closing date, we will deposit into the Acquisition Fund approximately $684,549,797. Amounts deposited into the Acquisition Fund represent the proceeds from the sale of the Class A notes and the Class B notes (less amounts deposited into the Capitalized Interest Fund, the Collection Fund and the Reserve Fund), and will be used to purchase FFELP student loans on the closing date. In addition, NEF, as the sponsor of the trust, will deposit $10,070,346 in principal amount and accrued interest of student loans into the Acquisition Fund as part of the trust estate. The trust will purchase the FFELP student loans for a cash price equal to 100% of their aggregate outstanding principal balance as of the cut-off date, plus accrued interest to and including the cut-off date. The remainder of the fair market value of the FFELP student loans will be contributed from the sponsor to the depositor and from the depositor to the trust. To the extent that payments have been made on the student loans anticipated to be acquired by the trust, such payments will be deposited to the Collection Fund on the date of issuance of the notes.

The Collection Fund

The indenture trustee will deposit into the Collection Fund all revenues derived from the financed student loans, money or other assets on deposit in the trust, amounts received under any joint sharing agreement and all amounts transferred from the Capitalized Interest Fund, the Department Rebate Fund, the Reserve Fund and the Trustee Expense Reserve Fund. Money on deposit in the Collection Fund will be used to pay the trust's operating expenses (which include amounts owed to the U.S. Department of Education and the guarantee agencies, amounts due under any joint sharing agreement, administration and master servicing fees, servicing fees, and trustees' fees and expenses) and interest and principal on the notes.

The Class B Collection Fund

A separate Class B Collection Fund is established pursuant to the indenture to provide for the payment of the Class B notes. The indenture trustee will deposit into the Class B Collection Fund certain amounts released from the 2006-A Indenture to be used to pay principal of and interest on the Class B notes. The Class A noteholders will not have any interest in the Class B Collection Fund. Money on deposit in the Class B Collection Fund will be used to pay interest and principal on the Class B notes.

The Capitalized Interest Fund

The trust will make a deposit to the Capitalized Interest Fund from the proceeds of the notes in the amount of $2,000,000. If on any monthly distribution date, money on deposit in the Collection Fund is insufficient to make certain required deposits to the Department Rebate Fund and pay certain amounts due to the U.S. Department of Education, as well as certain expenses of the trust relating to the indenture, amounts due under any joint sharing agreement, administration and master servicing fees, servicing fees, trustees' fees and expenses and interest then due on the Class A notes (and the Class B notes after the Class A notes are no longer outstanding), then money on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the deficiency, prior to any amounts being transferred from the Reserve Fund. Amounts transferred from the Capitalized Interest Fund will not be replenished. On the September 2013 monthly distribution date, the indenture trustee will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

The Reserve Fund

The trust will make a deposit to the Reserve Fund from the proceeds of the notes in the amount of $1,686,500. The Reserve Fund is subject to a minimum amount equal to the greater of 0.25% of the principal amount of the Class A notes, and 0.15% of the initial principal amount of the Class A notes. On each monthly distribution date, to the extent that money in the Collection Fund is not sufficient to make certain required deposits to the Department Rebate Fund and pay certain amounts due to the U.S. Department of Education, as well as certain expenses of the trust relating to the indenture, amounts due under any joint sharing agreement, administration and master servicing fees, servicing fees, trustees' fees and expenses and interest then due on the Class A notes (and the Class B notes after the Class A note are no longer outstanding), an amount equal to the deficiency will be transferred directly from the Reserve Fund, if such deficiency has not been paid from the Capitalized Interest Fund. To the extent the amount in the Reserve Fund falls below the Reserve Fund minimum balance, the Reserve Fund will be replenished on each monthly distribution date from funds available in the Collection Fund as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES—Flow of Funds" herein. Principal payments due on the notes may be made, only on the final maturity date for the respective class of notes, from moneys transferred from the Reserve Fund to the Collection Fund for such purpose. Funds on deposit in the Reserve Fund in excess of the Reserve Fund minimum balance will be transferred to the Collection Fund. If the market value of securities and cash in the Reserve Fund is on any monthly distribution date sufficient to pay the remaining principal amount of and interest accrued on the notes, such amount will be so applied on such monthly distribution.

The Department Rebate Fund

The indenture trustee will establish a Department Rebate Fund as part of the trust estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. We expect that the Department of Education will reduce the special allowance and interest subsidy payments payable to the trust by the amount of any such rebates owed by the trust. However, in certain circumstances the trust may owe a payment to the Department of Education or to another entity pursuant to a joint sharing agreement. If the administrator believes that the trust is required to make any such payment, the administrator will direct the indenture trustee to deposit into the Department Rebate Fund the estimated amounts of any such payments monthly from funds available in the Collection Fund as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES—Flow of Funds" herein. Money in the Department Rebate Fund will be transferred to the Collection Fund to the extent amounts have been deducted by the Department of Education from payments otherwise due to the trust, or will be paid to the Department of Education or another issuer if necessary to discharge the trust's rebate obligation. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto.

The Trustee Expense Reserve Fund

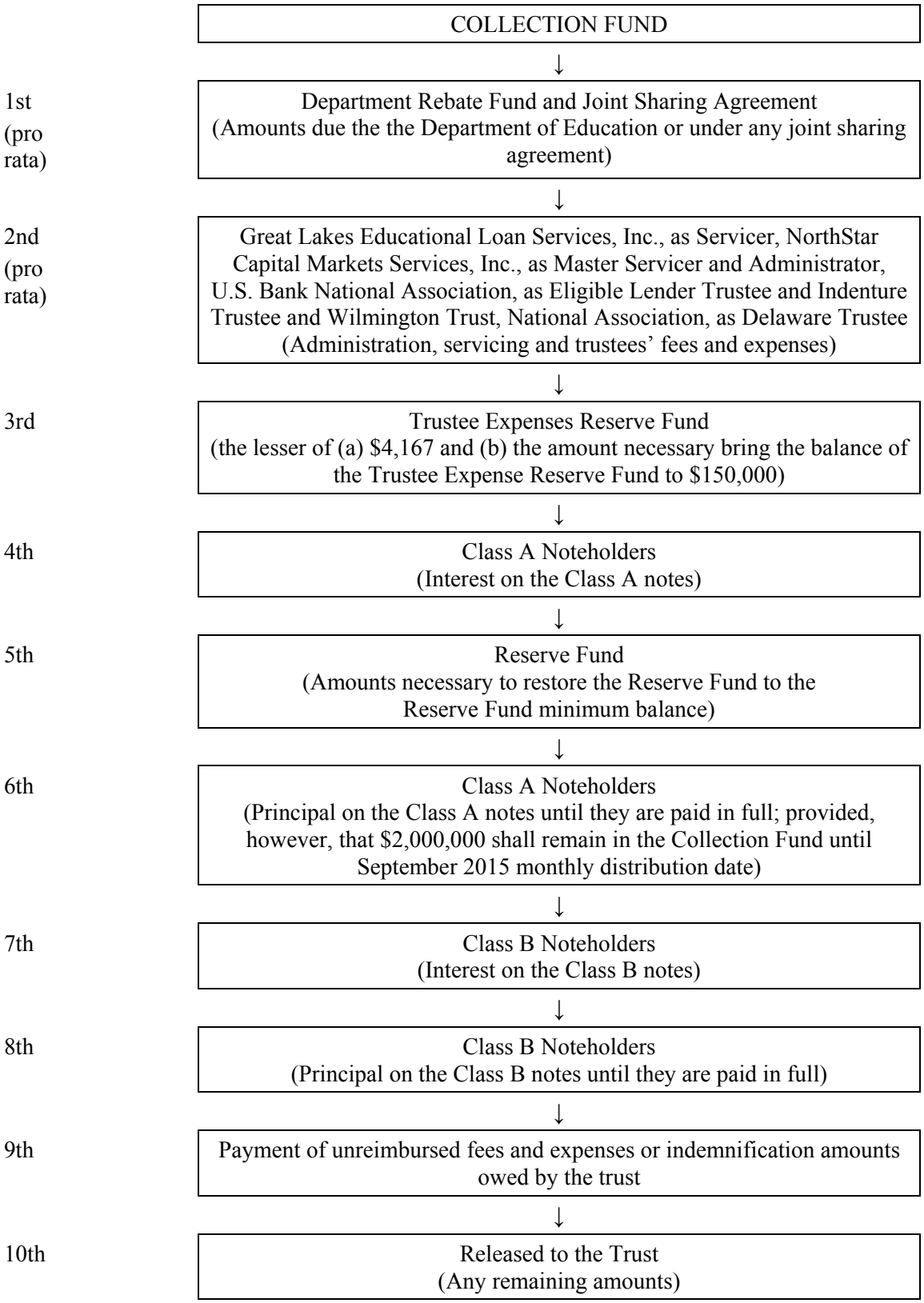
On each monthly distribution date, the trust will make a deposit to the Trustee Expense Reserve Fund equal to the lesser of (a) $4,167 and (b) the amount necessary bring the balance of the Trustee Expense Reserve Fund to $150,000 from funds available in the Collection Fund as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES—Flow of Funds" herein. Amounts on deposit in the Trustee Expense Reserve Fund will be used by the indenture trustee, upon written notice to the trust and the administrator, to pay trustee expenses.

Characteristics of the Student Loan Portfolio

On the closing date, the trust will acquire a portfolio of student loans originated under the FFELP, which are described more fully below under the caption "CHARACTERISTICS OF THE STUDENT LOANS" herein, having an aggregate outstanding principal balance of $665,540,088, excluding accrued interest, as of the statistical cut-off date. As of the statistical cut-off date, the weighted average annual interest rate of the student loans was approximately 6.936% and their weighted average remaining term to scheduled maturity was approximately 154.5 months.

Flow of Funds

On each monthly distribution date, prior to an event of default, money in the Collection Fund will be used to make the following deposits and distributions, to the extent funds are available, as set forth in the following chart:


COLLECTION FUND
1st (pro rata)
Department Rebate Fund and Joint Sharing Agreement (Amounts due the the Department of Education or under any joint sharing agreement)
2nd (pro rata)
Great Lakes Educational Loan Services, Inc., as Servicer, NorthStar Capital Markets Services, Inc., as Master Servicer and Administrator, U.S. Bank National Association, as Eligible Lender Trustee and Indenture Trustee and Wilmington Trust, National Association, as Delaware Trustee (Administration, servicing and trustees' fees and expenses)
3rd
Trustee Expenses Reserve Fund (the lesser of (a) $4,167 and (b) the amount necessary bring the balance of the Trustee Expense Reserve Fund to $150,000)
4th
Class A Noteholders (Interest on the Class A notes)
5th
Reserve Fund (Amounts necessary to restore the Reserve Fund to the Reserve Fund minimum balance)
6th
Class A Noteholders (Principal on the Class A notes until they are paid in full; provided, however, that $2,000,000 shall remain in the Collection Fund until September 2015 monthly distribution date)
7th
Class B Noteholders (Interest on the Class B notes)
8th
Class B Noteholders (Principal on the Class B notes until they are paid in full)
9th
Payment of unreimbursed fees and expenses or indemnification amounts owed by the trust
10th
Released to the Trust (Any remaining amounts)

Flow of Funds After Events of Default

Following the occurrence of an event of default that results in an acceleration of the maturity of the notes, except from certain amounts released from the 2006-A Indenture, no distributions of principal or interest will be made with respect to the Class B notes until payment in full of principal and interest on the Class A notes. See the caption "SUMMARY OF THE INDENTURE PROVISIONS—Remedies on Default" herein.

Credit Enhancement

Credit enhancement for the Class A notes will include overcollaterization, excess spread, cash on deposit in the Capitalized Interest Fund and the Reserve Fund, as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES" herein, and the subordination of the Class B notes, as described under the caption "CREDIT ENHANCEMENT" herein.

Servicing and Administration

Under a master servicing agreement, NorthStar Capital Markets Services, Inc. ("NCMS") agrees to arrange for and oversee the servicer's performance of its servicing obligations on the financed student loans. NCMS will also perform certain administrative duties for the trust. NCMS will be paid a monthly administration and servicing fee equal to one-twelfth ($1/12^{th}$) of fifty (50) basis points of the pool balance, less the servicing fee paid to the servicer. See the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—Master Servicing Agreement" herein. The duties and obligations of NCMS under the master servicing agreement will be subcontracted to NorthStar Education Services LLC ("NES") pursuant to a subservicing agreement.

NCMS will be responsible for payment of all compensation due to a servicer for performance of its servicing obligations under any servicing agreement.

Great Lakes Education Loan Services, Inc. ("GLELSI") will act as a servicer with respect to all of the financed student loans. The trust has entered into a student loan servicing agreement with the servicer pursuant to which the servicer will assume responsibility for servicing, maintaining custody of and making collections on the financed student loans. See the caption "NORTHSTAR STUDENT LOAN TRUST I—Servicing and Due Diligence" herein.

Optional Purchase

The depositor or its assignee may, but is not required to, purchase the remaining financed student loans in the trust on the date that is the tenth business day preceding the monthly distribution date on which the pool balance is 10% or less of the initial pool balance. Such a purchase will result in early retirement of the Class A notes.

If the depositor or its assignee exercises its purchase option, the purchase price will equal the greater of the fair market value of the financed student loans remaining in the trust estate and the prescribed minimum purchase price. The prescribed minimum purchase price is the amount that, when combined with amounts on deposit in the funds and accounts held under the indenture, would be sufficient to:

- reduce the principal amount of each class of notes then outstanding on the related monthly distribution date to zero;
- pay to each class of noteholders the interest payable on the related monthly distribution date; and
- pay any unpaid administration and master servicing fees, servicing fees, trustees' fees and expenses and all other trust fees and expenses.

Mandatory Auction

If any notes are outstanding and the depositor or its assignee does not notify the indenture trustee of its intention to exercise its right to repurchase student loans in the trust when the pool balance is 10% or less of the initial pool balance, all of the remaining financed student loans in the trust will be offered for sale by the indenture trustee before the next succeeding monthly distribution date. The depositor or its designated affiliates and unrelated third parties may offer to purchase the financed student loans in the auction. The net proceeds of any auction sale will be used to retire any outstanding notes on the next monthly distribution date.

The indenture trustee will solicit and resolicit new bids from all participating bidders until only one bid remains or the remaining bidders decline to resubmit bids. The indenture trustee will accept the highest bid remaining if it equals or exceeds both the minimum purchase price described above and the fair market value of the financed student loans remaining

in the trust estate. If the highest bid after the solicitation process does not equal or exceed both the minimum purchase price described above and the fair market value of the financed student loans remaining in the trust estate, the indenture trustee will not complete the sale. If the sale is not completed, the indenture trustee shall, at the direction of the trust, solicit bids for the sale of the financed student loans at the end of future collection periods using procedures similar to those described above. The indenture trustee may or may not succeed in soliciting acceptable bids for the financed student loans either on the auction date or subsequently.

Book-Entry Registration

The Class A notes will be delivered in book-entry form through The Depository Trust Company. You will not receive a certificate representing your Class A notes except in very limited circumstances.

Federal Income Tax Consequences

Chapman and Cutler LLP will deliver an opinion that for federal income tax purposes, the Class A notes will be treated as the trust's indebtedness and that the trust will not be characterized as an association or publicly traded partnership taxable as a corporation each for federal tax purposes. You will be required to include in your income the interest on the Class A notes as paid or accrued in accordance with your accounting methods and the provisions of the Internal Revenue Code. See the caption "CERTAIN FEDERAL INCOME TAX CONSIDERATIONS" herein.

ERISA Considerations

Fiduciaries of employee benefit plans, retirement arrangements and other entities in which such plans or arrangements are invested ("Plans"), persons acting on behalf of Plans or persons using the assets of Plans should review carefully with their legal advisors whether the purchase and holding of the Class A notes could give rise to a transaction prohibited under ERISA or the Code. See the caption "ERISA CONSIDERATIONS" herein.

Rating of the Class A Notes

It is a condition to the issuance of the Class A notes that they be rated as follows:

Class	Rating Agency (Fitch/S&P)
Class A notes	AAAsf[(1)]/AA+(sf)

[(1)] The Fitch rating on the Class A notes will have a "Outlook Negative" qualifier.

The Class B notes will not be rated.

Rule 144A CUSIP Number

- Class A Notes: 66705E AA6

RISK FACTORS

Potential investors in the Class A notes should consider the risks involved in purchasing the Class A notes including the following risk factors, together with all other information in this Offering Memorandum in deciding whether to purchase the Class A notes. The following discussion of possible risks is not meant to be an exhaustive list of the risks associated with the purchase of the Class A notes and does not necessarily reflect the relative importance of the various risks. Additional risk factors relating to an investment in the Class A notes are described throughout this Offering Memorandum, whether or not specifically designated as risk factors. There can be no assurance that other risk factors will not become material in the future.

You may have difficulty selling your Class A notes

There currently is no secondary market for the Class A notes. We cannot assure you that any market will develop or, if it does develop, how long it will last. If a secondary market for the Class A notes does develop, the spread between the bid price and the asked price for the Class A notes may widen, thereby reducing the net proceeds to you from the sale of your Class A notes. Under current market conditions, you may not be able to sell your Class A notes when you want to do so or you may not be able to obtain the price that you wish to receive. The market value of the Class A notes may fluctuate and movements in price may be significant.

Recent investigations and litigation related to LIBOR may affect your Class A notes

The interest rates payable on the Class A notes are based on a spread over one-month LIBOR, as set forth on the cover page of this Offering Memorandum. The London Interbank Offered Rate, or LIBOR, serves as a global benchmark for home mortgages, student loans and what various issuers pay to borrow money. Certain financial institutions have announced settlements with certain regulatory authorities with respect to, among other things, allegations of manipulating LIBOR or have announced that they are involved in investigations by regulatory authorities relating to, among other things, the manipulation of LIBOR. In addition to the ongoing investigations, several plaintiffs have filed lawsuits against various banks in federal court seeking damages arising from alleged LIBOR manipulation. On September 28, 2012, a top official at the U.K.'s Financial Services Authority unveiled his recommendations calling for a sweeping overhaul of LIBOR and removing it from the control of the British Bankers' Association. We cannot predict what effect, if any, these investigations or any related litigation will have on the use of LIBOR as a global benchmark going forward, or on the Class A notes.

The rate of payments on the financed student loans may affect the maturity and yield of the Class A notes

The financed student loans may be prepaid at any time without penalty. If the trust receives prepayments on the financed student loans, those amounts will be used to make principal payments as described below under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES—Flow of Funds" herein, which could shorten the average life of the Class A notes. Factors affecting prepayment of student loans include general economic conditions, prevailing interest rates and changes in the borrower's job, including transfers and unemployment. Refinancing opportunities that may provide more favorable repayment terms, including those offered under Federal Direct Loan Program consolidation loan programs, also affect prepayment rates. In addition, defaults on the financed student loans result in guarantee payments being made on such student loans, which will accelerate the prepayment of the Class A notes.

Scheduled payments with respect to, and the maturities of, the financed student loans may be extended as authorized by the Higher Education Act. Also, periods of deferment and forbearance may lengthen the remaining term of the financed student loans and the average life of the Class A notes.

The rate of principal payments to you on the Class A notes will be directly related to the rate of payments on the financed student loans. Changes in the rate of prepayments may significantly affect your actual yield to maturity, even if the average rate of prepayments is consistent with your expectations. In general, the earlier a

prepayment of a financed student loan, the greater the effect may be on your yield to maturity. The effect on your yield as a result of payments occurring at a rate higher or lower than the rate anticipated by you during the period immediately following the issuance of the Class A notes may not be offset by a subsequent like reduction, or increase, in the rate of principal payments on the Class A notes. You will bear entirely any reinvestment risks resulting from a faster or slower incidence of prepayment of the financed student loans.

Recently announced student loan reforms could affect future estimated cash flows and profitability on the financed student loans

Changes to FFELP student loans first announced by President Obama in October 2011 may adversely affect payments received on the financed student loans. The changes move up the effective date of changes to income-based repayment plans from 2014 to 2012. These changes will limit the amount of FFELP student loan payments to 10% of a graduate's income (changed from 15%) and will allow debt still outstanding after 20 years to be forgiven (changed from 25 years). However, details of these changes, including borrower and loan eligibility, will not be finalized until the proposal goes through the negotiated-rulemaking process. We are unable to predict the impact, if any, that these changes will have on the financed student loans or the Class A notes.

On December 23, 2011, President Obama signed HR 2055, the Consolidated Appropriations Act 2012, into law. This legislation allows FFELP student loan holders (including beneficial owners such as the trust) the one-time ability to substitute the index by which Special Allowance Payments are calculated from a 3-month commercial paper rate to a 1-month LIBOR rate for FFELP student loans with a first disbursement date between January 1, 2000 and June 30, 2010. This change, if made, is irrevocable and is effective for all periods beginning on or after April 1, 2012. The trust will acquire student loans from sellers which have made this election and therefore those student loans with a first disbursement date between January 1, 2000 and June 30, 2010 will remain subject to the election.

We cannot predict if any other changes will be made to the Higher Education Act in future legislation, or the effect of such legislation on the servicer, the guarantee agencies or the financed student loans.

Changes to the Higher Education Act may affect your Class A notes

Funds for payment of interest subsidy payments, special allowance payments and other payments under the FFELP are subject to annual budgetary appropriations by Congress. Federal budget legislation has in the past contained provisions that restricted payments made under the FFELP to achieve reductions in federal spending. Future federal budget legislation may adversely affect expenditures by the Department of Education, and the financial condition of the sponsor, other lenders, servicers and the guarantee agencies.

Congressional amendments to the Higher Education Act or other relevant federal laws, and rules and regulations promulgated by the Secretary of Education, may adversely impact the sponsor, other lenders, the servicer and the guarantee agencies. For example, changes might be made to the rate of interest or special allowance payments paid on FFELP loans, to the level of insurance provided by guarantee agencies, or to the servicing requirements for FFELP loans. Such changes could have a material adverse effect on the trust's student loan operations or on the ability of the servicer to service the financed student loans or the administrator to act as administrator, or otherwise to comply with their obligations under the transaction documents.

On March 30, 2010, President Obama signed into law the Health Care and Education Reconciliation Act of 2010 (the "Reconciliation Act of 2010"). Effective July 1, 2010, this law prohibits new loan originations under the FFELP and requires that all new federal loan originations be made through the Federal Direct Loan Program (the "Direct Loan Program"). The new law does not alter or affect the terms and conditions of existing FFELP loans. As a result of the Reconciliation Act of 2010, the master servicer's and the servicer's incomes may decline over time as their customers' FFELP loan portfolios are paid down.

The United States military build-up may result in delayed payments from borrowers called to active military service

The recent build-up of the United States military has increased the number of citizens who are in active military service. The Servicemembers Civil Relief Act limits the ability of a lender under the Federal Family Education Loan Program to take legal action against a borrower during the borrower's period of active duty and, in some cases, during an additional three month period thereafter.

We do not know how many financed student loans have been or may be affected by the application of the Servicemembers Civil Relief Act. Payments on financed student loans acquired by the trust may be delayed as a result of these requirements, which may reduce the funds available to the trust to pay principal and interest on the Class A notes.

Higher Education Relief Opportunities for Students Act of 2003 may result in delayed payments from borrowers

The Higher Education Relief Opportunities for Students Act of 2003 ("HEROS Act of 2003"), authorizes the Secretary of Education to waive or modify any statutory or regulatory provisions applicable to student financial aid programs under Title IV of the Higher Education Act as the Secretary deems necessary for the benefit of "affected individuals" who:

- are serving on active military duty or performing qualifying national guard duty during a war or other military operation or national emergency;
- reside or are employed in an area that is declared by any federal, state or local office to be a disaster area in connection with a national emergency; or
- suffered direct economic hardship as a direct result of war or other military operation or national emergency, as determined by the Secretary.
- The Secretary is authorized to waive or modify any provision of the Higher Education Act to ensure that:
- such recipients of student financial assistance are not placed in a worse financial position in relation to that assistance;
- administrative requirements in relation to that assistance are minimized;
- calculations used to determine need for such assistance accurately reflect the financial condition of such individuals;
- provision is made for amended calculations of overpayment; and
- institutions of higher education, eligible lenders, guarantee agencies and other entities participating in such student financial aid programs that are located in, or whose operations are directly affected by, areas that are declared to be disaster areas by any federal, state or local official in connection with a national emergency may be temporarily relieved from requirements that are rendered infeasible or unreasonable.

The number and aggregate principal balance of financed student loans that may be affected by the application of the HEROS Act of 2003 is not known at this time. Accordingly, payments we receive on student loans made to a borrower who qualifies for such relief may be subject to certain limitations. If a substantial number of borrowers become eligible for the relief provided under the HEROS Act of 2003, there could be an adverse effect

on the total collections on the financed student loans and our ability to pay principal and interest on the Class A notes.

Different rates of change in interest rate indexes may affect our cash flow

The interest rates on the Class A notes may fluctuate from one interest accrual period to another in response to changes in the specified index rates. The financed student loans bear interest either at fixed rates or at rates which are generally based upon the bond equivalent yield of the 91-day U.S. treasury bill rate. In addition, the financed student loans may be entitled to receive special allowance payments from the Department of Education based upon a one-month LIBOR rate. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto. If there is a decline in the rates payable on the financed student loans, the amount of funds representing interest deposited into the Collection Fund may be reduced. If the interest rates payable on Class A notes the trust issues do not decline in a similar manner and time, the trust may not have sufficient funds to pay interest on the Class A notes when due. Even if there is a similar reduction in the rate on the Class A notes, there may not necessarily be a reduction in the other amounts required to be paid out of the trust, such as administrative and servicing expenses, causing interest payments to be deferred to future periods. Similarly, if there is a rapid increase in the interest rate payable on the Class A notes without a corresponding increase in rates payable on the financed student loans, the trust may not have sufficient funds to pay interest on the Class A notes when due. Sufficient funds may not be available in future periods to make up for any shortfalls in the current payments of interest on the Class A notes or expenses of the trust estate.

The special allowance payments payable on the one-month LIBOR based financed student loans generally reset on a daily basis, while the one-month LIBOR interest rate payable on the Class A notes resets on a monthly basis. In a declining interest rate environment, the differences in the timing of the interest rate resets may lead to a compression of the spread between the amount of student loan interest the trust receives and the amount of interest we pay on our Class A notes. In a rising interest rate environment, the spread may increase. If the spread between the amount of student loan interest we receive and the amount of interest we pay on our Class A notes compresses, we may not have sufficient funds available in future periods to pay the expenses of the trust estate and interest and principal on the Class A notes.

For loans disbursed prior to April 1, 2006, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the federal government on a quarterly basis. This modification effectively limits lenders' returns to the special allowance support level and could require a lender to rebate excess interest accrued but not yet received. For fixed rate loans, the excess interest owed to the federal government will be greater when interest rates are relatively low, causing the special allowance support level to fall below the loan rate. There can be no assurance that such factors or other types of factors will not occur or that, if they occur, such occurrence will not materially adversely affect the trust's ability to pay the principal of and interest on the Class A notes, as and when due.

The Class A notes are not a suitable investment for all investors

The Class A notes are not a suitable investment if you require a regular or predictable schedule of payments or payment on any specific date. The Class A notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyze the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

The Class A notes are payable solely from the trust estate and you will have no other recourse against us

Interest and principal on the Class A notes will be paid solely from the funds and assets held in the trust estate created under the indenture for the trust securing such notes; provided, however, the Class B notes, but not the Class A notes, are additionally secured from certain amounts released from 2006-A Indenture, as described herein. No insurance or guarantee of the Class A notes will be provided by any government agency or instrumentality, by any affiliate of the trust, by any insurance company or by any other person or entity. Therefore, your receipt of payments on the Class A notes will depend solely on:

- the amount and timing of payments and collections on the student loans held in the trust estate and interest paid or earnings on the funds held in the accounts established pursuant to the indenture;
- our rights under certain agreements, including the master servicing agreement, any servicing agreement, any guarantee agreement, any eligible lender trust agreement and any student loan purchase agreement related to the pledged student loans; and
- amounts on deposit in the Capitalized Interest Fund, the Collection Fund, the Reserve Fund and other funds held in the trust estate.

You will have no additional recourse against any other party if those sources of funds for repayment of the Class A notes are insufficient.

The servicing of the financed student loans may be transferred, resulting in additional costs to the trust, increased servicing fees, or a diminution in servicing performance, which could cause delays in payment or losses on the Class A notes

In the event that servicing functions with respect to the financed student loans are transferred to a successor servicer, we cannot predict the cost of the transfer of servicing to the successor, the ability of the successor to perform the obligations and duties of the servicer under any servicing agreement, or the servicing fees charged by the successor. Among the events that could cause a transfer of servicing are material breaches of or defaults under a servicing agreement or the exercise by a servicer of a resignation or termination right under its servicing agreement, as described in the following risk factor. The occurrence of these events could adversely affect us or our ability to pay principal of and interest on the Class A notes from the assets in the trust estate.

The servicing agreements may be terminated prior to the payment in full of the Class A notes

Under the terms of the master servicing agreement, the NES subservicing agreement and the GLELSI servicing agreement, NCMS, NES or GLELSI may resign or such agreements may be terminated prior to the payment in full of the Class A notes. See the captions "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—Master Servicing Agreement," "—NES Subservicing Agreement" and "—GLELSI Servicing Agreement" herein. In the event of any such resignation or termination, the trust would be required to obtain the services of a comparable replacement master servicer or servicer that is eligible to service FFELP loans. There can be no assurance regarding the availability or cost of a replacement master servicer or servicer. Any of the foregoing could result in some disruption of the collection activity with respect to the financed student loans, which may cause delayed or reduced payments on the Class A notes, and could reduce the market value of the Class A notes.

If there is a problem with a financed student loan that arose prior to our acquisition of that financed student loan, the trust estate may incur losses on that financed student loan unless the depositor or NorthStar Education Finance, Inc. repurchases it

The depositor will make certain representations and warranties concerning the financed student loans sold to the trust. In addition, the depositor will assign its interests in the FFELP student loan sale and residual interest contribution agreement from the sponsor pursuant to which the sponsor will make similar representations and warranties with respect to those student loans. Each student loan held under the indenture must constitute an eligible loan under the indenture. Pursuant to their respective FFELP student loan sale and residual interest contribution agreement, if a financed student loan should fail to meet the requirements of an eligible loan due to actions taken or failed to be taken by owners of the financed student loans prior to the trust's purchase of the financed student loan or if the transfer should fail to provide the indenture trustee or the eligible lender trustee with good title to a financed student loan, NorthStar Education Finance, Inc. and the depositor have agreed to repurchase such financed student loan. However, Education Finance, Inc. or the depositor may not have the financial resources to repurchase all such financed student loans. Further, this obligation will not cover any event causing a student loan to no longer constitute an eligible loan arising after the trust's purchase of the student loan that was not caused by such action or failure to take such action. See the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—FFELP Student Loan Sale and Residual Interest Contribution Agreement" herein.

The failure of NorthStar Education Finance, Inc. or the depositor to repurchase a financed student loan would be a breach of the FFELP student loan sale and residual interest contribution agreement, enforceable by the indenture trustee, but is not an event of default, and would not permit the exercise of remedies, under the indenture.

The bankruptcy of NorthStar Capital Markets Services, Inc., as administrator, could delay the appointment of a successor administrator

In the event of a default by NCMS resulting solely from certain events of insolvency or the bankruptcy of the administrator, a court, conservator, receiver or liquidator may have the power to prevent either the indenture trustee or the noteholders from appointing a successor administrator. It is possible that in a bankruptcy of the administrator that the administration agreement could be transferred to a new administrator over the objection of the trust.

Bankruptcy or insolvency of the depositor or a prior seller of student loans could result in payment delays to you

The depositor will transfer to us all of the student loans acquired by the trust estate. The limited liability company agreement for the depositor contains certain requirements regarding its operations that are intended to reduce the possibility that the depositor would become bankrupt. However, if the depositor should become a debtor in a bankruptcy action, a bankruptcy court could attempt to consolidate the assets of the trust into the bankruptcy estate of the depositor. If that occurs, you can expect delays in receiving payments on your Class A notes and even a reduction in payments on your Class A notes.

The depositor took steps to structure each loan acquired by the depositor from NorthStar Education Finance, Inc., and we have taken steps to structure each loan transferred to us from the depositor, such that the financed eligible loans acquired should not be included in the bankruptcy estate of the depositor or any prior seller if any of them should become bankrupt. If a court disagrees with this position, we could experience delays in receiving payments on our financed student loans and you could then expect delays in receiving payments on your Class A notes, or even a reduction in payments on your Class A notes. A court could also subject the financed student loans to a superior tax or government lien arising before the transfer of the financed student loans to us.

Bankruptcy or insolvency of NorthStar Capital Markets Services, Inc., as master servicer, or the servicer could result in payment delays to you

NCMS will act as the master servicer with respect to the student loans acquired by the trust and the servicer will perform the actual servicing of the financed student loans. In the event of a default by NCMS or the subservicer resulting from events of insolvency or bankruptcy, a court, conservator, receiver or liquidator may have the power to prevent the indenture trustee or the noteholders from appointing a successor master servicer or successor servicer and delays in collections in respect of the financed student loans may occur. Any delay in the collection of the financed student loans may delay payments to you.

Bankruptcy and financial position of NorthStar Education Finance, Inc. or the depositor could result in the failure to repurchase certain financed student loans

NEF had net assets of $189.4 million as of June 30, 2012. Although NEF is paying its obligations as they become due, there can be no assurance that the level of such net assets will be maintained or sufficient to meet all of its obligations. If NEF becomes bankrupt, the United States Bankruptcy Code could materially limit or prevent the enforcement of NEF's obligations, including NEF's obligation under its FFELP student loan purchase and residual interest contribution agreement to repurchase financed student loans. A bankruptcy of NEF may mean that NEF may be unable to purchase any student loan which has ceased to be an eligible loan under the indenture. In addition, the level of such net assets may not be sufficient for such purpose.

The limited liability company agreement for the depositor contains certain requirements regarding its operations that are intended to reduce the possibility that the depositor would become bankrupt. However, if the depositor should become a debtor in a bankruptcy action, a bankruptcy court could attempt to consolidate the assets of the trust into the bankruptcy estate of the depositor. In addition, the depositor is not anticipated to have substantial assets available to make any such repurchases.

Limited recourse to servicer

The GLELSI servicing agreement provides that GLELSI will exercise care and due diligence in performing the services required by its terms. Under the GLELSI servicing agreement, GLELSI is required to indemnify and hold the trust harmless from all loss, liability and expense (including reasonable attorney's fees) arising out of or relating to GLELSI's acts or omissions with regard to the performance of services under the GLELSI servicing agreement, provided that GLELSI will not be liable in the performance of such services except for its gross or willful negligence or misconduct. GLELSI will not be liable for any consequential damages with respect to any matter whatsoever arising out of the GLELSI servicing agreement.

If we do not receive timely payments on our financed student loans, we may not be able to pay your Class A notes. You may also incur losses or delays in payment on your Class A notes if borrowers default on their student loans

Collections on the financed student loans may vary greatly in both timing and amount from the payments actually due on the financed student loans for a variety of economic, social, demographic and other factors. As a result, we may not receive all the payments that are actually due on our financed student loans. Failures by borrowers to make timely payments of the principal and interest due on the financed student loans or an increase in deferments or forbearances could affect the revenues of the trust estate, which may reduce the amounts available to pay principal and interest due on the Class A notes. In addition, many of the financed student loans have been made to graduate and professional students, who generally have higher debt burdens than student loan borrowers as a whole. We cannot predict with accuracy the effect of these factors, including the effect on the timing and amount of funds available and the ability to pay principal and interest on the Class A notes.

Our cash flow, and our ability to make payments due on the Class A notes, will be reduced to the extent interest is not currently payable on our financed student loans. The borrowers on most student loans are not required to make payments during the period in which they are in school and for certain authorized periods thereafter as described in the Higher Education Act. The Department of Education will make all interest payments while payments are deferred under the Higher Education Act on certain of the financed student loans. For most other financed student loans, interest generally will be capitalized and added to the principal balance of the financed student loans. The trust estate will include financed student loans for which payments are deferred as well as financed student loans for which the borrower is currently required to make payments of principal and interest. The proportions of the financed student loans in our portfolio for which payments are deferred and currently in repayment will vary during the period that the Class A notes are outstanding.

In general, a guarantee agency reinsured by the Department of Education will guarantee 98% of each student loan first disbursed on or before June 30, 2006 and 97% of each student loan first disbursed on or after July 1, 2006. If a borrower of a financed student loan defaults and credit enhancement is not otherwise available, the issuing entity will experience a loss of 2% or 3% of the outstanding principal and accrued interest on each of the defaulted loans. We do not have any right to pursue the borrower for the remaining unguaranteed portion. If defaults occur on the financed student loans and credit enhancement is not otherwise available, you may suffer a delay in payment or a loss on your investment.

If the indenture trustee is forced to sell financed student loans after an event of default, you could realize losses on your Class A notes

Generally, after an event of default, the indenture trustee is authorized to sell the financed student loans. However, the indenture trustee may not find a purchaser for the financed student loans. Also, the market value of the financed student loans plus other assets in the trust estate (excluding amounts received pursuant to the 2006-A Indenture, which are not available to pay the Class A notes) might not equal the principal amount of Class A notes plus accrued interest. There may be fewer potential buyers for those financed student loans, and therefore prices available in the secondary market may decline. You may suffer a loss if the indenture trustee is unable to find purchasers willing to pay prices for the financed student loans sufficient to pay the principal amount of the Class A notes plus accrued interest.

Uncertainty as to available remedies

The remedies available to owners of the Class A notes upon an event of default under the indenture or other documents described herein are in many respects dependent upon regulatory and judicial actions which often are subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the indenture and such other documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the issuance of the Class A notes will be qualified as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

The Class A notes may be repaid early due to a mandatory auction or optional purchase. If this happens, your yield may be affected and you will bear reinvestment risk

The Class A notes may be repaid before you expect them to be in the event of a mandatory auction or an optional purchase. Each event would result in the early retirement of the Class A notes outstanding on that date. If this happens, your yield on the Class A notes may be affected and you will bear the risk that you cannot reinvest the money you receive in comparable notes at an equivalent yield.

Less than all of the noteholders can approve amendments to the indenture or waive defaults under the indenture

Under the indenture, holders of specified percentages of the aggregate principal amount of the Class A notes may amend or supplement provisions of the indenture and the Class A notes and waive events of defaults and compliance provisions without the consent of the other Class A noteholders. You have no recourse if such other Class A noteholders vote in a manner with which you do not agree. The other Class A noteholders may vote in a manner which impairs the ability to pay principal and interest on a noteholder's Class A notes. Also, so long as the Class A notes are outstanding, the holders of the Class B notes will not have the right to exercise certain rights under the indenture.

Commingling of payments on student loans could prevent the trust from paying you the full amount of the principal and interest due on your Class A notes

Payments received on the financed student loans generally are deposited into an account in the name of the servicer each business day. However, payments received on the financed student loans will not be segregated from payments the servicer receives on other student loans it services. Such amounts are required to be transferred to the indenture trustee for deposit into the Collection Fund within two business days of receipt of such payments. Prior to the transfer of such funds, the servicer may invest those funds for its own account and at its own risk. If the servicer is unable to transfer such funds to the indenture trustee, Class A noteholders may suffer a loss.

We expect to issue the Class A notes only in book-entry form

We expect that the Class A notes will be initially represented by a certificate registered in the name of Cede & Co., the nominee for DTC, and will not be registered in your name or the name of your nominee. Unless and until definitive securities are issued, holders of the Class A notes will not be recognized by the indenture trustee as registered holders as that term is used in the indenture and holders of the Class A notes will only be able to exercise the rights of Class A noteholders indirectly through DTC and its participating organizations. See the caption "BOOK-ENTRY REGISTRATION" herein.

The ratings of the Class A notes are not a recommendation to purchase and may change

It is a condition to issuance of the Class A notes that they be rated as described in "SUMMARY OF TERMS—Rating of the Class A Notes" herein. Ratings are based primarily on the creditworthiness of the underlying student loans, the amount of credit enhancement and the legal structure of the transaction. The ratings are not a recommendation to you to purchase, hold or sell the Class A notes inasmuch as the ratings do not comment as to the market price or suitability for you as an investor. Ratings may be increased, lowered or withdrawn by any rating agency if in the rating agency's judgment circumstances so warrant. A downgrade in the rating of the Class A notes is likely to decrease the price a subsequent purchaser will be willing to pay for the Class A notes.

There is the potential for conflicts of interest and regulatory scrutiny with respect to the rating agencies rating the Class A notes

Additionally, we note that it may be perceived that the rating agencies have a conflict of interest that may have affected the ratings assigned to the Class A notes where, as is the industry standard and the case with the ratings of the Class A notes, the sponsor or the trust pays the fees charged by the rating agencies for their rating services.

Furthermore, the rating agencies have been and may continue to be under scrutiny by federal and state legislative and regulatory bodies for their roles in the recent financial crisis and such scrutiny and any actions such legislative and regulatory bodies may take as a result thereof may also have an adverse effect on the price that a subsequent purchaser would be willing to pay for the Class A notes and your ability to resell the Class A notes.

Rating agencies not hired to rate the Class A notes may assign unsolicited ratings, which may differ from the ratings assigned by the hired rating agencies

Pursuant to a rule adopted recently by the Securities and Exchange Commission aimed at enhancing transparency, objectivity and competition in the credit rating process, the sponsor will make available to each nationally recognized statistical rating organization (an "NRSRO") not hired to rate the Class A notes the same information that the sponsor and the initial purchaser provide to each hired NRSRO in connection with determining or maintaining the credit ratings on the Class A notes, including information about the characteristics of the underlying student loans and the legal structure of the Class A notes. This could make it easier for non-hired NRSROs to assign ratings to the Class A notes, which ratings could differ from those assigned by the rating agencies hired to assign ratings to the Class A notes described in this Offering Memorandum. We cannot predict the occurrence or timing of any such ratings actions.

Ratings of other student loan asset-backed notes issued by affiliates of the sponsor may be reviewed or downgraded

Recent disruptions in the credit markets, concerns over the financial strength of several monoline insurers, the widening of interest rate spreads, concerns about the creditworthiness of counterparties to derivative product agreements and the collapse of the auction rate securities market have caused the rating agencies to announce that they are reviewing or intend to review the ratings assigned to certain securities, including student loan asset-backed securities. These events have led to a number of ratings actions on those student loan asset-backed notes. Ratings actions may take place at any time, including prior to the closing date of the Class A notes offered by this Offering Memorandum. We cannot predict the timing of any ratings actions.

Further adverse action by the rating agencies regarding securities issued by the sponsor or its affiliates may adversely affect the market value of the Class A notes or any secondary market for the Class A notes that may develop.

Principal of the student loans may amortize faster because of incentive programs

The sponsor reduces the cost of financing education for its borrowers through application of the T.H.E. Bonus Program for student loans in active repayment, including certain of the financed student loans. Any incentive program that effectively reduces borrower payments or principal balances on student loans may result in the principal amount of student loans amortizing faster than anticipated. The trust cannot accurately predict the number of borrowers that will have the benefit of the borrower benefits provided under the borrower incentive programs currently offered pursuant to the T.H.E. Bonus Program. See the caption "NORTHSTAR STUDENT LOAN TRUST I—Borrower Benefit Programs" herein.

Concentration of guarantee agencies

Approximately 88% of the financed student loans are guaranteed by Great Lakes Higher Educational Guaranty Corporation. See the captions "STUDENT LOAN GUARANTEES AND FEDERAL REINSURANCE" and "INFORMATION REGARDING THE GUARANTEE AGENCIES—Great Lakes Higher Educational Guaranty Corporation" herein.

Student loans are unsecured and the ability of the guarantee agencies to honor their guarantees may become impaired

All student loans that we acquire and pledge to the trust estate will be unsecured. As a result, the only security for payment of a student loan is the guarantee provided by the guarantee agency. See the caption "Concentration of guarantee agencies" above. Payments of principal and interest are guaranteed by guarantee agencies to the extent described herein.

A deterioration in the financial status of a guarantee agency and its ability to honor guarantee claims on defaulted student loans could result in a failure of that guarantee agency to make its guarantee payments to the eligible lender trustee in a timely manner. The financial condition of a guarantee agency can be adversely affected if it submits a large number of reimbursement claims to the Department of Education, which results in a reduction of the amount of reimbursement that the Department of Education is obligated to pay the guarantee agency. The Department of Education may also require a guarantee agency to return its reserve funds to the Department of Education upon a finding that the reserves are unnecessary for the guarantee agency to pay its program expenses or to serve the best interests of the federal student loan program. The inability of any guarantee agency to meet its guarantee obligations could reduce the amount of principal and interest paid to you as the owner of Class A notes or delay those payments past their due date.

If the Department of Education has determined that a guarantee agency is unable to meet its guarantee obligations, the loan holder may submit claims directly to the Department of Education and the Department of Education is required to pay the full guarantee claim amount due with respect thereto. See the caption "STUDENT LOAN GUARANTEES AND FEDERAL REINSURANCE" herein. However, the Department of Education's obligation to pay guarantee claims directly in this fashion is contingent upon the Department of Education making the determination that a guarantee agency is unable to meet its guarantee obligations. The Department of Education may not ever make this determination with respect to a guarantee agency and, even if the Department of Education does make this determination, payment of the guarantee claims may not be made in a timely manner.

Failure to comply with loan origination and servicing procedures for student loans may result in loss of guarantee and other benefits

The Higher Education Act requires lenders, loan holders and servicers to meet various requirements in order to ensure that student loans made under the FFELP, including the financed student loans, are properly originated and serviced. These requirements establish servicing requirements and procedural guidelines and specify school and borrower eligibility criteria. Failure to follow these requirements may result in an inability to maintain the federal guarantee on the financed student loans.

A guarantee agency may reject a loan for claim payment due to a violation of the FFELP due diligence collection and servicing requirements. In addition, a guarantee agency may reject claims under other circumstances, including, for example, if a claim is not timely filed or adequate documentation is not maintained. Once a loan ceases to be guaranteed, it is ineligible for federal interest subsidies and special allowance payments. If a loan is rejected for claim payment by a guarantee agency, we continue to pursue the borrower for payment or institute a process to reinstate the guarantee. Guarantee agencies may reject claims as to portions of interest for certain violations of the due diligence collection and servicing requirements even though the remainder of a claim may be paid.

Examples of errors that cause claim rejections include isolated missed collection calls, or failures to send collection letters as required. Violations of due diligence collection and servicing requirements can result from human error. Violations can also result from computer processing system errors, or from problems arising in connection with the implementation of a new computer platform or the conversion of additional loans to a servicing system.

The Department of Education implemented school eligibility requirements, including default rate limits. In order to be eligible for the FFELP, schools must have maintained default rates below specified levels and both

guarantee agencies and lenders were required to insure that loans were made to students attending schools that met such default criteria. If we failed to comply with any of the above requirements, we could incur penalties or lose the federal guarantee on some or all of the financed student loans.

Pursuant to their respective FFELP student loan sale and residual interest contribution agreement, both the depositor and NEF have agreed to repurchase, within 30 days of a request, any financed student loan which has ceased to be an eligible loan under the indenture due to any action taken or failed to be taken by the owner of such student loan prior to the trust's acquisition of such student loan at a price equal to the principal balance of such student loan. Neither the depositor nor NEF may have the financial resources to meet the repurchase obligation under their respective FFELP student loan sale and residual interest contribution agreement. The failure of the depositor or NEF to repurchase a student loan would be a breach of its respective FFELP student loan sale and residual interest contribution agreement, but is not an event of default, and would not permit the exercise of remedies under the indenture.

If the trust, the master servicer or the servicer fails to comply with the Department of Education's regulations, payments on the Class A notes could be adversely affected

The Department of Education regulates each lender and servicer of FFELP loans. Under these regulations, a third-party servicer, including the master servicer and the servicer, is jointly and severally liable with its client lenders for liabilities to the Department of Education arising from its violation of applicable requirements. In addition, if any lender or servicer fails to meet standards of financial responsibility or administrative capability included in the regulations, or violates other requirements, the Department of Education may impose penalties or fines and limit, suspend, or terminate the lender's eligibility to participate in or such servicer's eligibility to contract to service loans originated under the FFELP.

If the trust or any of its affiliates were so fined, or their FFELP eligibility were limited, suspended or terminated, payment on the Class A notes could be adversely affected. If the master servicer or the servicer were so fined or held liable, or its eligibility were limited, suspended, or terminated, its ability to properly service the financed student loans and to satisfy its obligations or to indemnify the trust or to purchase student loans with respect to which it has breached its representations, warranties or covenants could be adversely affected. In addition, if the Department of Education terminates the master servicer's or the servicer's eligibility, a servicing transfer will take place and there may be delays in collections and temporary disruptions in servicing. Any servicing transfer may temporarily adversely affect payments to you. See the caption "The servicing of the financed student loans may be transferred, resulting in additional costs to the trust, increased servicing fees, or a diminution in servicing performance, which could cause delays in payment or losses on the Class A notes" above.

Eligible lender trustee under the Higher Education Act

The Higher Education Act provides that only "eligible lenders" may hold title to loans made under the FFELP. Our eligible lender trustee may become disqualified as an "eligible lender" under the Higher Education Act or fail to comply with the provisions of the Higher Education Act. In such an event, a suitable replacement eligible lender trustee must be appointed. Failure of the financed student loans to be owned by an eligible lender would result in the loss of guarantee payments, interest subsidy payments and special allowance payments with respect thereto.

Offset by guarantee agencies or the Department of Education could reduce the amounts available for payment of your Class A notes

The eligible lender trustee will use a Department of Education lender identification number that will also be used for other student loans held by the eligible lender trustee on behalf of the sponsor, the trust and any other affiliates of the sponsor using the same lender identification number. The billings submitted to the Department of Education will be consolidated with the billings for payments for all student loans held by the eligible lender trustee

on behalf of the sponsor, the trust and any other affiliates of the sponsor using the same lender identification number, and payments on the billings will be made by the Department of Education or the guarantee agency to the eligible lender trustee in lump sum form. These payments will be allocated by the eligible lender trustee among the various student loans held under the same lender identification number pursuant to a joint sharing agreement among the sponsor, its affiliates, U.S. Bank National Association, as trustee for certain financings of the sponsor and its affiliates, and the eligible lender trustee. See the caption "NORTHSTAR STUDENT LOAN TRUST I—Joint Sharing Agreement" herein.

If the Department of Education or a guarantee agency determines that the eligible lender trustee owes a liability to the Department of Education or the guarantee agency on any student loan for which the eligible lender trustee is legal titleholder, the Department of Education or the guarantee agency might seek to collect that liability by offsetting against payments due the eligible lender trustee under the indenture. This offsetting or shortfall of payments due to the eligible lender trustee could adversely affect the amount of available funds and the trust's ability to pay interest and principal on the Class A notes. See the caption "STUDENT LOAN GUARANTEES AND FEDERAL REINSURANCE" herein.

The use of master promissory notes may compromise the indenture trustee's security interest in the student loans

Certain loans made under the FFELP were permitted to be evidenced by a master promissory note. Once a borrower executed a master promissory note with a lender, additional loans made by the lender were evidenced by a confirmation sent to the borrower, and all such loans are governed by the single master promissory note.

A loan evidenced by a master promissory note may be sold independently of the other loans governed by the master promissory note. If the trust purchases a loan governed by a master promissory note and does not acquire possession of the master promissory note, other parties could claim an interest in the loan. This could occur if the holder of the master promissory note were to take an action inconsistent with the issuing entity's rights to a student loan, such as delivery of a duplicate copy of the master promissory note to a third party for value.

Certain credit and liquidity enhancement features are limited

Credit and liquidity enhancement for the Class A notes will consist of overcollateralization, excess spread, cash on deposit in the Reserve Fund and the Capitalized Interest Fund and the sequential payment of principal and interest on the Class A notes before the Class B notes. The amounts on deposit in each of the Reserve Fund and the Capitalized Interest Fund are limited in amount. In addition, the Capitalized Interest Fund will not be replenished, is available for a limited duration and will not be extended. In certain circumstances, if there is a shortfall in available funds, such amounts may be partially or fully depleted. This depletion could result in shortfalls and delays in distributions to holders and the Class A notes will bear any risk of loss.

Investigations and inquiries in the student loan industry

A number of state attorneys general and the U.S. Senate Committee on Health, Education, Labor and Pensions have recently conducted, and may conduct in the future, broad inquiries or investigations of the activities of various participants in the student loan industry, including, but not limited to, activities that may involve perceived conflicts of interest.

NEF has been contacted to respond to information requests from certain federal and state bodies. NEF cooperated with such requests and has not heard anything additional from the parties which requested such information. Since such processes are typically confidential, NEF will not necessarily be able to advise of any such contacts or its involvement in such matters. The activity and number of investigations nationally recently appears to have greatly diminished.

There is no assurance that we or any servicer or guarantee agency will not be subject to inquiries or investigations. While we cannot predict the ultimate outcome of any inquiry or investigation, it is possible that these inquiries or investigations and regulatory developments may materially affect the FFELP, our ability to perform our obligations under the indenture and the payment of principal of and interest on the Class A notes.

Characteristics of our student loans may change

This Offering Memorandum describes the characteristics as of August 31, 2012, which we refer to as the statistical cut-off date, of the student loans we expect to be held under the indenture as of the closing date for the Class A notes. We and the sponsor believe that the information set forth in this Offering Memorandum with respect to the student loans as of the statistical cut-off date is representative of the characteristics of the student loans as they will exist on the closing date for the Class A notes, although certain characteristics on any student loans acquired after the statistical cut-off date may vary. You must not assume that the characteristics of these student loans on the closing date for the Class A notes will be identical to the characteristics thereof disclosed in this Offering Memorandum.

Consumer protection laws may increase costs and uncertainties

Consumer protection laws impose requirements upon lenders and servicers, and some state laws impose finance charge restrictions on certain transactions and require contract disclosures. These state laws are generally preempted by the Higher Education Act. However, the form of promissory notes required by the Department of Education for FFELP loans provides that holders of such promissory notes evidencing certain loans made to borrowers attending for-profit schools are subject to any claims and legal defenses that the borrower may have against the school.

The U.S. Congress enacted the "Dodd-Frank Wall Street Reform and Consumer Protection Act" (the "Dodd-Frank Act") which contains comprehensive revisions to U.S. financial services law. Among other things, it created the federal Consumer Financial Protection Bureau (the "CFPB") and granted to the CFPB extensive rulemaking and enforcement authority. The CFPB has rulemaking and interpretive authority under a wide range of designated federal consumer financial services laws. It also has supervisory, examination and enforcement authority over certain institutions that offer or provide consumer financial products or services. Furthermore, the Dodd-Frank Act limits the federal preemption of state consumer financial law with respect to national banks and federal saving institutions and empowers state officials to enforce federal consumer protection laws and regulations. The Dodd-Frank Act requires hundreds of new regulations, addressing a wide range of areas affecting the financial services industry. We are unable to predict the form of any final regulations or guidelines, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future and their possible impact on the sponsor, the administrator, the master servicer, the servicer or the trust.

NORTHSTAR STUDENT LOAN TRUST I

General

NorthStar Student Loan Trust I is a Delaware statutory trust formed by NorthStar Education Funding I, L.L.C., as depositor, pursuant to a trust agreement by and between NorthStar Education Funding I, L.L.C. and Wilmington Trust, National Association, as Delaware trustee, for the transactions described in this Offering Memorandum. The assets of the trust will include student loans the trust acquires, cash and investments that are pledged under the indenture and the payments received on those student loans and investments, and, for the Class B notes, but not the Class A notes, certain amounts released from the 2006-A Indenture as described herein. The trust was created for the purpose of facilitating the refinancing of FFELP student loans and other financial assets, and to engage in activities in connection therewith. The trust will not engage in any activity other than:

- acquiring, holding and managing the FFELP student loans and the other assets of the trust, and the proceeds therefrom;

- issuing the notes; and

- engaging in other activities related to the activities listed above.

The depositor will hold all of the equity interests in the trust. The mailing address for the depositor is 444 Cedar Street, Suite 800, St. Paul, Minnesota 55101-2133 and its telephone number is (888) 843-0004. The trust's fiscal year ends on September 30th.

The notes will be secured by the trust's assets; provided, however, the Class B notes, but not the Class A notes, are additionally secured from certain amounts released from the 2006-A Indenture as described herein. The Collection Fund, the Capitalized Interest Fund, the Acquisition Fund and the Reserve Fund will be maintained in the name of the indenture trustee for the benefit of the Class A noteholders until fully repaid, to the extent described herein. The servicer described below will act as custodian of the promissory notes and other documents with respect to the financed student loans.

Eligible Lender Trustee

U.S. Bank National Association is the eligible lender trustee for the issuing entity under an eligible lender trust agreement. The eligible lender trustee will acquire on behalf of the issuing entity legal title to all of the student loans acquired under the FFELP student loan sale and residual interest contribution agreement with the depositor. The eligible lender trustee on behalf of the issuing entity has entered into a separate guarantee agreement with each of the guarantee agencies described in this Offering Memorandum with respect to the issuing entity's student loans. The eligible lender trustee qualifies as an eligible lender and the holder of the issuing entity's student loans for all purposes under the Higher Education Act and the guarantee agreements.

The obligations of the eligible lender trustee in connection with the issuance and sale of the notes will consist solely of discharging the express obligations specified in the eligible lender trust agreement. The eligible lender trustee will not be personally liable for any actions or omissions that were not the result of its own gross negligence or willful misconduct. The eligible lender trustee will be entitled to be indemnified by the trust for any loss, liability or expense (including reasonable attorneys' fees) incurred by it in connection with the performance of its duties under the eligible lender trust agreement except for any loss, liability or expenses caused by the eligible lender trustee's gross negligence or bad faith.

Pursuant to a joint sharing agreement among the sponsor, its affiliates, U.S. Bank National Association, as trustee for certain financings of the sponsor and its affiliates, and the eligible lender trustee, in the event that the Department of Education withholds payment or otherwise seeks reimbursement from the eligible lender trustee with respect to FFELP student loans securing obligations of the sponsor and its affiliates, such entity shall transfer an amount equal to the amount withheld or reimbursement paid to the Department of Education to the applicable entity from which payments owed by the Department of Education were withheld.

The eligible lender trustee may resign at any time by giving written notice to the issuing entity. The trust may also remove the eligible lender trustee at any time upon payment to the eligible lender trustee of all amounts then due it under the eligible lender trust agreement. Such resignation or removal of the eligible lender trustee and appointment of a successor will become effective only when a successor accepts its appointment.

Delaware Trustee

Wilmington Trust, National Association (formerly called M&T Bank, National Association) ("Wilmington Trust") will act as Delaware trustee under the trust agreement of the trust. Wilmington Trust is a national banking association with trust powers incorporated in 1995. The Delaware trustee's principal place of business is located at 1100 North Market Street, Wilmington, Delaware 19890. Wilmington Trust is an affiliate of Wilmington Trust Company and both Wilmington Trust and Wilmington Trust Company are subsidiaries of Wilmington Trust Corporation. Since 1998, Wilmington Trust Company has served as Delaware trustee in numerous asset-backed securities transactions involving student loan receivables.

On May 16, 2011, after receiving all required shareholder and regulatory approvals, Wilmington Trust Corporation, the parent of Wilmington Trust, through a merger, became a wholly-owned subsidiary of M&T Bank Corporation ("M&T"), a New York corporation.

Wilmington Trust is subject to various legal proceedings that arise from time to time in the ordinary course of business. Wilmington Trust does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its services as Delaware trustee.

Other than the information in the above three paragraphs, Wilmington Trust has not participated in the preparation of, and is not responsible for, any other information contained in this Offering Memorandum.

Wilmington Trust's role is limited to performing various ministerial and other express duties set forth in the trust agreement of the trust, fulfilling the provisions of the Delaware Statutory Trust Act that require a Delaware statutory trust at all times to have at least one trustee that, in the case of a natural person, is a Delaware resident, or in all other cases, has its principal place of business in Delaware, and accepting service of process in Delaware on behalf of the trust.

Borrower Benefit Programs

Through application of its T.H.E. Bonus Program, NEF helped borrowers reduce the cost of financing their education by providing eligible borrowers (those in active repayment and less than 60 days delinquent) a monthly credit on their student loans which was equal to an annualized interest rate discount. The T.H.E. Bonus program was suspended temporarily in February of 2008 and a settlement was made with NEF's borrowers, resulting in mandated settlement guaranteed minimum benefit payments and the reinstatement of bonus benefits to eligible borrowers. The current funding source for bonus payments is from excess cash released from certain financings sponsored by NEF and NEF's own cash reserves. There are no other payment incentives with respect to the financed student loans. Any payment under the T.H.E. Bonus Program on the financed student loans will be deposited to a designated Settlement Bonus Trust Account.

Acquisition of Financed Student Loans

NorthStar T.H.E. Funding III, L.L.C. (also referred to collectively herein as the "transferor") will transfer certain of the student loans to the sponsor for further transfer to the depositor and to the trust. The transfers will be made in the form of a sale of assets to the sponsor. A portion of the proceeds of the notes deposited in the Acquisition Fund will be used, when paid to the transferor, to satisfy of the transferor's debt obligations secured by those student loans. Other student loans to be transferred to the trust are currently owned by the sponsor.

The transfer of the student loans from the transferor to the sponsor, made pursuant to a bill of sale, is without recourse against the transferor. Neither the trust nor the indenture trustee will have any right to make recourse to or collect from the transferor if the student loans should fail to meet the requirements of an eligible loan for any reason or if the transfer should fail to provide the indenture trustee with good title to the student loans.

Representations and Warranties With Respect to the Student Loans

The depositor will make certain representations and warranties concerning the financed student loans sold to the trust. In addition, the depositor will assign its interests in the FFELP student loan purchase and residual interest contribution agreement from the sponsor pursuant to which the sponsor will make similar representations and warranties with respect to those student loans. Each student loan held under the indenture must constitute an eligible loan under the indenture. Each of NEF and the depositor has agreed in its respective FFELP student loan sale and residual interest contribution agreement to repurchase any financed student loan, within 30 days of a request for such repurchase, which did not constitute an eligible loan on its date of transfer due to actions taken or failed to be taken by owners of the financed student loans prior to the trust's purchase of the financed student loan or if the transfer should fail to provide the indenture trustee or the eligible lender trustee with good title to a financed student loan. See the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—FFELP Student Loan Sale and Residual Interest Contribution Agreement" herein."

Pursuant to the indenture, the trust represents and warrants that each financed student loan constitutes an eligible loan and satisfies any representations and warranties made with respect thereto in the FFELP student loan sale and residual interest contribution agreement and the indenture creates a valid and continuing security interest in the financed student loans in favor of the indenture trustee, which security interest is prior to all other liens, charges, security interests, mortgages or other encumbrances, and is enforceable as such as against creditors of and purchasers from the trust.

A breach of any representation or warranty made by the trust with respect to the financed student loans which continues for a period of thirty days after the trust has received written notice of such breach from the indenture trustee, will constitute an event of default under the indenture. However, if the trust corrects such breach within ninety days, then no event of default will have occurred. Upon the breach of any representation or warranty described above which constitutes an event of default, the principal of and interest accrued on all of our notes then outstanding will be accelerated, if the holders of a majority in aggregate principal amount of the highest priority notes outstanding under the indenture direct such acceleration.

Servicing and Due Diligence

The trust has covenanted in the indenture to cause a servicer to administer and collect all student loans pledged under the indenture in accordance with all applicable requirements of the Higher Education Act, the Secretary of Education, the indenture, and the guarantee agreements. Pursuant to the GLELSI servicing agreement, GLELSI will service all of the student loans acquired by the trust pursuant to the indenture.

The Higher Education Act requires that the originating lender, the eligible lender trustee, and their agents (including the servicer) exercise "due diligence" in the making, servicing and collection of student loans and that a guarantee agency exercise due diligence in collecting loans which it holds. The Higher Education Act defines "due diligence" as requiring the holder of a student loan to utilize servicing and collection practices at least as extensive and forceful as those generally practiced by financial institutions for the collection of consumer loans, and requires that certain specified collection actions be taken within certain specified time periods with respect to a delinquent loan or a defaulted loan. The guarantee agencies have established procedures and standards for due diligence to be exercised by each guarantee agency and by lenders (including the eligible lender trustee) which hold loans that are guaranteed by the respective guarantee agencies. The eligible lender trustee, the originating lender or a guarantee agency may not relieve itself of its responsibility for meeting these standards by delegation to any servicing agent. Accordingly, if the originating lender or the servicer fails to meet any such standards, the trust's ability to realize the benefits of guarantee payments (and, with respect to student loans eligible for such payments, interest subsidy payments and special allowance payments) may be adversely affected. If a guarantee agency fails to meet such standards with respect to student loans, that guarantee agency's ability to realize the benefits of federal reinsurance payments may be adversely affected.

The financed student loans are currently serviced on behalf of the sponsor and the transferor (and upon the trust's acquisition of such student loans, will continue to be serviced on our behalf) by GLELSI. We may replace the servicer with one or more new servicers, or may add one or more additional servicers, with rating agency notification. See the captions **"**RISK FACTORS—The servicing agreements may be terminated prior to the payment in full of the Class A notes" and "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—GLELSI Servicing Agreement" herein. All of the student loans presently pledged under the indenture have been serviced by GLELSI since their origination.

Joint Sharing Agreement

Due to a Department of Education policy limiting the granting of eligible lender identification numbers, billings submitted to the Department of Education for interest subsidy and special allowance payments on behalf of the sponsor and certain of its affiliates or with respect to different indentures may be consolidated with billings for the payments for student loans using the same lender identification number. Department of Education payments are made in lump sum form. The same may be applicable with respect to payments by guarantee agencies. In addition, if amounts are owed by one or more affiliates of the sponsor or from other indentures to the Department of Education, Department of Education lump sum payments may be offset by these amounts and therefore may affect other affiliates of the sponsor using the same eligible lender number. The sponsor and certain of its affiliates have

agreed, in a document referred to as the "joint sharing agreement" in the indenture, to properly allocate and pay to or from the correct affiliate of the sponsor or indenture amounts which should be reallocated to reflect payment on the student loans of each such affiliate of the sponsor or indenture.

THE SPONSOR, THE ADMINISTRATOR, THE MASTER SERVICER AND THE SERVICER

The following summary provides a general description of the sponsor, the master servicer, the servicer and the administrator to be involved in the establishment of the trust, the servicing and administration of the trust estate and the issuance of the notes.

The Sponsor

General. NorthStar Education Finance, Inc. ("NEF") is a Delaware non-stock nonprofit corporation that was incorporated in January of 2000. NEF is a membership organization, and its current members are its board of directors. NEF was formed to carry on the student loan programs started by NorthStar Guarantee, Inc. as described below.

NorthStar Guarantee, Inc., a Minnesota nonprofit corporation recognized as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, began its operations in 1991 as the State of Minnesota's designated federal loan guarantor for education loans made under the Higher Education Act. NorthStar Guarantee, Inc. also provided loan origination and loan disbursement services for lenders and educational institutions.

NorthStar Guarantee, Inc. changed its business focus in 1997 from that of a guarantee agency and disbursement agent for other lenders to that of a direct lender of education loans. The change in business activities coincided with NorthStar Guarantee, Inc. affiliating with the Great Lakes Higher Education Corporation ("Great Lakes Corp.") based in Madison, Wisconsin. NorthStar Guarantee, Inc. and Great Lakes Corp. each agreed that the activities and assets of the student loan business would be contributed to a new nonprofit entity, when the business could sustain itself, and NEF was formed for that purpose.

Shortly after receiving a favorable determination from the Internal Revenue Service in March of 2003 that NEF was an organization described in Section 501(c)(3) of the Internal Revenue Code, NorthStar Guarantee, Inc. transferred beneficial ownership of all remaining assets (including all student loans) to NEF and NEF assumed all associated liabilities. As of August 31, 2012, NEF owned (directly and through wholly owned subsidiaries) approximately $4.34 billion of student loans. NEF is no longer affiliated with NorthStar Guarantee, Inc.

NEF formed NorthStar Capital Markets Services, Inc., a Delaware for profit business corporation ("NCMS"), in January of 2000, and sold all of its interests in NCMS in August of 2010. See the caption "The Administrator and Master Servicer" below.

NEF has only a minimal number of employees, and has entered into the Master Servicing Agreement, dated as of August 27, 2010, with NCMS to manage its business, which Master Servicing Agreement will be supplemented pursuant to a Supplemental Servicing Agreement with NCMS to apply to the Trust (as amended and supplemented, the "Master Servicing Agreement"). See the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—Master Servicing Agreement" herein.

Permissible Activities; Limitations. NEF was not formed as a "special purpose" entity and can generally take all actions permitted under Delaware and other applicable law. NEF does not generally have any restrictions on its activities in its certificate of incorporation and bylaws, including with respect to issuing or investing in additional securities, borrowing money or making loans to other persons. As a non-moneyed corporation, NEF is not subject to involuntary action for relief under bankruptcy or insolvency laws but it does have the right to file a voluntary bankruptcy petition. NEF's certificate of incorporation may be amended in whole or in part by a majority vote of its directors (who are also its members) and upon the adoption of a resolution relating thereto, each in accordance with Delaware law. NEF's bylaws may also be amended in whole or in part by a majority vote of its directors.

Directors and Officers. NEF's current officers and directors are as follows:

Name	Position	Principal Occupation
Anita Pampusch	Chairman of the Board	Retired President of the Bush Foundation
Richard Nigon	President and Director	Senior Vice President of Cedar Point Capital, Inc.
Clyde Nelson	Treasurer and Director	Retired Mortgage Banker
Jayne B. Khalifa	Director	Retired Deputy City Coordinator, City of Minneapolis
The Honorable Timothy Penny	Director	President, The Southern Minnesota Initiative Foundation and former Congressman
Judith Mares	Director	Chief Investment Officer, Alliant Techsystems, Inc.

In addition, the board of directors includes four Directors Emeritus. Each of NEF's directors and officers holds his or her position until death, resignation, removal or until his or her successor is elected and qualified.

NEF has several board committees, including an audit committee. The audit committee is chaired by Judith Mares, and Clyde Nelson and Timothy Penny are members. The audit committee operates pursuant to a charter that sets forth its responsibilities.

Affiliates. NorthStar Education Funding I, L.L.C., a Delaware limited liability company, is the depositor of the trust and the depositor of NorthStar Student Loan Trust II, a trust which will securitize certain private student loans not originated pursuant to the Higher Education Act. NEF is the sole member of the depositor. The limited liability company agreement of the depositor restricts its activities.

NorthStar Student Loan Trust II (the "Private Loan Trust"), a Delaware statutory trust, was established to securitize certain private student loans. The depositor is the sole certificateholder of the Private Loan Trust.

NorthStar T.H.E. Funding III, L.L.C. is a Delaware limited liability company, of which NEF is the sole member. The managers of this entity are members of NEF management and one other independent manager with no affiliation with NEF, its affiliates, management or board members. NorthStar T.H.E. Funding III, L.L.C. previously originated and currently holds student loans. Those loans will subsequently be refinanced by the trust and the Private Loan Trust upon the issuance of the notes, and NorthStar T.H.E. Funding III, L.L.C. will be dissolved. Its limited liability company agreement restricts its activities to originating and holding student loans and selling such loans into other financings.

NEF, NorthStar Education Funding I, L.L.C., the trust, the Private Loan Trust and NorthStar T.H.E. Funding III, L.L.C., all of which are affiliates, are collectively referred to herein as the "NorthStar Companies."

Capitalization of NorthStar Education Finance, Inc. Generally accepted accounting principles requires that our financial statements are consolidated with the NorthStar Companies. In its audited statements as of September 30, 2011, NEF had total assets of $5.1 billion, total liabilities of $5.0 billion, and net assets as of such date of $161.2 million. On an unaudited basis, as of June 30, 2012, NEF had total assets of $4.8 billion, total liabilities of $4.6 billion, and net assets as of such date of $189.4 million. Except for the limited assets pledged under the indenture and the repurchase obligation of NEF and the depositor with respect to certain student loans as described under the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—FFELP Student Loan Sale and Residual Interest Contribution Agreement" herein, none of the assets of the NorthStar Companies are available to pay principal of or interest on the Class A notes.

NorthStar Loan Programs. NEF's loan program was known as the Total Higher Education (T.H.E.) Loan Program (the "T.H.E. Loan Program"). The T.H.E. Loan Program was marketed to graduate and professional schools and four year undergraduate institutions from 1997 until 2009, when NEF ceased making new loans. NEF's mission and business strategy was to create innovative financing programs that allowed for no up-front fees on federally insured loans and a borrower benefit program funded from residual payments.

The T.H.E. Loan Program consisted of two major components:

(a) Federal Family Education loans (FFELP or Higher Education Act loans):

- (i) Subsidized FFELP loans;
- (ii) Unsubsidized FFELP loans;
- (iii) Parent Loan For Undergraduate Student (PLUS);
- (iv) PLUS Loan for Professional and Graduate Students; and
- (v) Consolidation Loans.

(b) Private or non-FFELP and non-Higher Education Act loans:

- (i) Medical loans;
- (ii) Allied Health/Health Professionals;
- (iii) Law/MBA loans; and
- (iv) Other undergraduate and graduate loans

The private loan component is designed to provide an additional loan to a student to cover the difference between the cost of attending the higher education institution and the federal and institutional grants and loans already provided. Higher Education Act loans and private loans were offered separately or as a comprehensive financing package. The T.H.E. Loan Program's availability was as follows: (a) the federally guaranteed loan was available to any student attending an eligible four year institution and (b) the private loan is available to students that meet NEF's credit underwriting requirements and are attending eligible institutions.

NEF originated $6.3 billion of FFELP and private loans under the T.H.E. Loan Program, and as of August 31, 2012 had $4.3 billion of T.H.E. loans ($3.8 billion of FFELP and $541 million of private loans). In 2007, NEF was the nation's 11th largest lender and 14th largest holder of FFELP loans. Additional information on the sponsor's loan pools and financings can be found on the sponsor's website http://www.northstar.org/Investors/. Any information contained on such website is not incorporated into this Offering Memorandum.

Loan Origination. NEF, or its predecessors, began originating student loans, including private loans, in 1991. When NorthStar Guarantee, Inc. and Great Lakes Corp. affiliated in 1997, NorthStar Guarantee, Inc.'s origination processing personnel became employees of Great Lakes Corp. Until April 2000, all loans originated by or on behalf of NorthStar Guarantee, Inc. were processed and serviced by Great Lakes Corp. under contract with NorthStar Guarantee, Inc.

Beginning in April 2000 and ending in 2009, NCMS processed substantially all originations and GLELSI performed substantially all servicing functions. GLELSI also originated a small number of loans for NEF. The vast majority of private loans were originated by University National Bank and purchased by NEF shortly after origination.

NEF's program guidelines (the "program guidelines") set forth the terms under which loans were made and defined borrower and school eligibility. The T.H.E. Loan Program included discipline-specific programs for law, MBA and medical students. The T.H.E. Loan Program also included a national program generally available to other graduate students and undergraduate students who, alone or with a cosigner, met certain credit underwriting criteria. All students attending a four-year institution and eligible for federal government guaranteed loans were eligible for T.H.E. Loan Program federal government guaranteed loans.

Private loans were made only to eligible borrowers at eligible schools. Borrower eligibility was determined through a proprietary credit underwriting process utilizing credit scoring models. School eligibility was determined, in part, on the school's historical default experience. When applications were received, the applications were reviewed to determine that the application was complete, that the student was an eligible borrower and the school an eligible institution. Each application also included a certification from the submitting school that the student was eligible for the particular loan program and that the amount of the loan did not exceed the student's cost of education less other financial aid. If the application was complete and consistent with the program guidelines, the loan would be approved. If a student applicant did not meet the credit requirements or an application was otherwise determined not to comply with the program guidelines, the applicant would be sent an adverse determination letter, which would have included instructions on the steps to be taken to appeal the denial if the denial was based on an adverse credit determination.

Audits. Annual audits and agreed upon procedures are periodically prepared with respect to NEF to assess its compliance with certain U.S. Department of Education requirements. In addition, NEF performs annual voluntary audits on its internal controls pursuant to the Statement on Standards for Attestation Engagements No. 16, or "SSAE 16." Such annual financial audits are performed in compliance with generally accepted accounting principles (GAAP). No material findings were noted in any of the recent audits.

The Administrator and Master Servicer

NCMS is a Delaware for-profit business corporation and is a subsidiary of Alliance Holdings, Inc., an Employee Stock Option holding company.

Pursuant to the terms of the master servicing agreement, NCMS has responsibility for administration of NEF and the trust, and will act as a master servicer of the financed student loans and oversee the servicing of the financed student loans. For a description of the Master Servicing Agreement, see the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—Master Servicing Agreement" herein.

NCMS will maintain the master servicing agreement with NEF and the trust and remain responsible for its obligations thereunder, but will subcontract all of its duties and obligations under the master servicing agreement to NorthStar Education Services LLC ("NES"). NES is a newly formed Wisconsin limited liability company, and is a wholly-owned subsidiary of GLELSI, the servicer of the financed student loans. On October 1, 2012, NCMS sold a majority of its intellectual property, existing customer contacts, furniture and equipment to NES. Substantially all of the employees of NCMS are now employees of NES. Pursuant to a Subservicing Agreement, dated as of October 1, 2012 (the "NES subservicing agreement"), between NCMS and NES, NES is responsible for performing all of the obligations of NCMS under the master servicing agreement. GLELSI will guarantee the performance by NES of its obligations under the NES Subservicing Agreement. For a description of the master servicing agreement, see the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I—NES Subservicing Agreement" herein.

Key Personnel of NES. The key personnel of NES are listed below. Each of the below personnel held the equivalent position at NCMS prior to October 1, 2012.

Taige P. Thornton, 60, is President of NES. Mr. Thornton started NorthStar Guarantee, Inc. in 1991 and grew it into the sixth largest education loan insurer in the country. Mr. Thornton has been engaged in the financial services industry for the past 30 years. Prior to NCMS, his previous executive positions were: President of the Consumer Finance Group, First Bank System, Vice President of Operations at Balcor/American Express, and an Officer at the Harris Trust and Savings Bank. Mr. Thornton received his BA degree in Political Science from the University of Iowa in 1975.

Thomas Dixon, 53, is the Chief Information Officer of NES. Mr. Dixon began with NCMS in 1991, joined Great Lakes Corp. in 1997 and rejoined NCMS in 2000. He is responsible for strategic, design and operational decisions regarding the information technology utilized by NES. Mr. Dixon has 19 years of experience in analysis, design, development, and management of computer software with 14 years of experience in the student loan industry. Mr. Dixon has held positions with Higher Education Assistance Foundation, NorthStar Guarantee, Inc., and Great Lakes Corp. Mr. Dixon received a BS in Computer Science from the University of Minnesota in 1996.

Bruce Atkinson, 48, is the Chief Technology Officer for NES, joining NCMS in March 2011. Mr. Atkinson is responsible for creating and delivering new technology strategies. Mr. Atkinson has a broad technology and business focused background from serving various leadership roles at ThomsonReuters and more recently at UnitedHealth Group.

Kate Seifert, 50, is the VP of Finance and Controller for NES, joining NCMS in May 2011. Prior to NCMS, Ms. Seifert served in various finance and accounting roles, including Manager of Financial Reporting, Virtual Radiologic and Manager of Financial Reporting and Internal Audit, FICO. Ms. Seifert is an active CPA and began her career with Coopers & Lybrand in San Francisco after receiving a BS degree in Business Administration from the University of California, Chico in 1985.

Brian Parker, 35, is Senior Vice President of Business Development for NES. Mr. Parker's primary responsibilities include supporting existing products as well as expanding and creating new business lines. Brian also plays keys roles in structured finance, portfolio management, and setting and negotiating product pricing. Mr. Parker has been in the student loan industry since 2000. Prior to his business development responsibilities, Mr. Parker performed key finance, accounting and IT roles. Mr. Parker received an MBA from the University of St. Thomas in 2006 and a BA in Management Information Systems from the University of Wisconsin – Eau Claire in 1999.

Robert C. Forbrook, 49, is the Vice President – NorthStar Default Collections of NES. Mr. Forbrook is responsible for the Debt Management and Default Aversion aspects of the business, including proactive outreach to students prior to entering repayment, during early stages of delinquency and into delinquency for the Private Loan Portfolio for NorthStar Education Finance Inc. Mr. Forbrook has been in the student loan industry since 1986 and was with NCMS beginning March 2003. Mr. Forbrook received a BS degree in Business Administration and Management in 1985 from Southwest State University in Marshall, Minnesota.

Lisa R. Parker, 50, is the Assistant Vice President – NorthStar Customer Service of NES. Ms. Parker leads the Operations and Outreach group as it finds profitable growth by managing existing operations, developing cohort management solutions for external clients, and evaluating new technology for the operations team. She is also responsible for implementing outreach activities for new contracts. Ms. Parker has an extensive background in higher education services and has served for more than 25 years in various capacities as student loan lender, guarantor and servicer with emphasis in loan origination, servicing and repayment planning. She received her BS degree in Management, Economics and Industry Relations from Minnesota State University in Mankato, MN.

Products and Services of NES. In addition to administering NEF's loan programs under the NES subservicing agreement, NES offers a variety of products and services through its loan management system, a combination of web-based technologies, proven processes and experienced loan professionals working to support the needs of each student-borrower. NES's loan management system provides end-to-end solutions that improve lender profitability and performance by offering students the tools and support to successfully finance and repay their education debt. In addition to loan origination services, NES offers proprietary web based financial literacy programs, including:

- AccessReady – Pre-enrollment instruction on how to fund an education. Includes tutorials and resources on federal and private loans creating a funding plan and long term impact of loan debt.

- GradReady – Customized student portal equipped with a wide range of personal finance topics, budgeting tools, lender contact page, and a page for tracking education debt and its long-term impact.

- RepayReady – Resource designed to prevent delinquency and default for borrowers repaying student loans. RepayReady provides students with tools to organize student debt, learn about repayment options, and develop/implement a successful repayment strategy.

NES's products and services dramatically improve the loan experience for students. The primary goals are to help students and graduates manage their student loan debt obligations, and to help lenders increase their efficiency and effectiveness throughout the loan life-cycle. NES uses proprietary software and services to improve

originations and modify borrower behavior through active portfolio management, high borrower contact, and financial literacy training. In addition to NEF, NES products and services are provided to to major national and regional banks and financial service provides and to various post-secondary institutions.

NES currently has approximately 38 employees. Its offices are located at 444 Cedar Street, Suite 800, St. Paul, Minnesota 55101.

The Eligible Lender Trustee

U.S. Bank National Association is our eligible lender trustee under an eligible lender trust agreement. U.S. Bank National Association is a national banking association with offices located at 425 Walnut Street, Box CN-OH-W6CT, Cincinnati, Ohio 45202, Attention: Corporate Trust Services. The eligible lender trustee will hold legal title on our behalf to all the student loans in the trust estate. The eligible lender trustee on our behalf has entered into a guarantee agreement with each of the guarantee agencies guaranteeing our student loans. The eligible lender trustee qualifies as an eligible lender and the holder of our student loans for all purposes under the Higher Education Act and the guarantee agreements. If our student loans were not owned by an eligible lender, our rights to receive guarantee agency and Department of Education payments on our student loans would be lost.

The eligible lender trustee is acting as "eligible lender" with respect to the student loans as an accommodation to the trust and not for the benefit of any other party. Notwithstanding any responsibility that the eligible lender trustee may have to the Secretary of Education or any guarantee agency under the Higher Education Act, the eligible lender trustee will not have any responsibility for the trust's action or inaction, or any action or inaction of the indenture trustee or any other party in connection with the student loans and the documents, agreements, understandings and arrangements relating to the student loans.

The Servicer

The following three paragraphs have been furnished by GLELSI for use in this Offering Memorandum. The trust does not guarantee or make any representation as to the accuracy or completeness thereof or the absence of material adverse change in such information or in the condition of GLELSI subsequent to the date hereof.

Great Lakes Education Loan Services, Inc. GLELSI acts as a loan servicing agent for the trust. GLELSI is a wholly-owned subsidiary of Great Lakes Higher Education Corporation ("GLHEC"), a Wisconsin nonstock, nonprofit corporation. The primary operations center for GLHEC and its affiliates (including GLELSI) is in Madison, Wisconsin, which includes the data processing center and operational staff offices for both guarantee support services provided by GLELSI to GLHEC and third party guarantee agencies and lender servicing functions. GLHEC and affiliates also maintain offices in St. Paul, Minnesota, Aberdeen, South Dakota and Boscobel and Eau Claire, Wisconsin and customer support staff located nationally.

GLELSI began servicing loans for commercial lenders in 1977, first as a division of the Wisconsin Higher Education Corporation, subsequently renamed the Great Lakes Higher Education Corporation, then as GLELSI. In September, 2009, GLELSI began servicing loans for the U.S. Department of Education. GLELSI is presently one of four servicers who service loans issued to new student and parent borrowers under the Federal Direct Student Loan Program.

As of December 31, 2011, GLELSI serviced 8,058,232 student and parental accounts with an outstanding balance of $90.8 billion for over 1,180 lenders nationwide, including the U.S. Department of Education. As of December 31, 2011, 51.7% of the portfolio serviced by GLELSI was in repayment status, 6.8% was in grace status and the remaining 41.6% was in interim status. GLELSI will provide a copy of GLHEC's most recent consolidated financial statements on receipt of a written request directed to 2401 International Lane, Madison, Wisconsin 53704, Attention: Chief Financial Officer.

THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I

The trust will make deposits to the Capitalized Interest Fund, the Collection Fund and the Reserve Fund from proceeds of the notes. The student loans acquired by the trust under the FFELP student loan sale and residual interest contribution agreement with the depositor or directly deposited by the sponsor will be deposited to the Acquisition Fund.

Each such student loan:

- is guaranteed as to principal and interest by a guarantee agency under a guarantee agreement and the guarantee agency is reinsured by the Department of Education in accordance with the FFELP;
- contains terms in accordance with those required under the FFELP, the guarantee agreements and other applicable requirements; and
- has special allowance payments, if any, based on the one-month LIBOR rate.

With respect to any student loan as to which the related borrower is determined to be a resident of the City of New York City, New York, all monthly payments due under such student loan, up to and as of the closing date have been made in full and the seller has not advanced funds to prevent any portion of such student loan from being past due as of the closing date.

Administration

The master servicing agreement provides that NCMS will provide administrative and personnel services to the sponsor and certain of its affiliates, including the trust. Pursuant to the master servicing agreement, for acting as master servicer of the trust, which includes providing administrative and personnel services, NCMS is paid a monthly fee equal to one-twelfth of 0.50% of the ending principal balance of the financed student loans, plus accrued interest, during the preceding month, less the servicing fees paid to the servicer. Pursuant to the NES subservicing agreement, NCMS has delegated its duties and responsibilities under the master servicing agreement to NES. GLELSI will guarantee the performance by NES of its obligations under the NES Subservicing Agreement. See the caption "THE SPONSOR, THE ADMINISTRATOR, THE MASTER SERVICER AND THE SERVICER—The Administrator and Master Servicer" herein and the captions "Master Servicing Agreement" and the "NES Subservicing Agreement" below.

Servicing

NCMS will, under the master servicing agreement, act as a master servicer of the financed student loans and oversee the servicing of the financed student loans. The master servicing agreement provides that NCMS will be paid for the performance of its functions under the master servicing agreement, from funds available for such purpose under the indenture, a monthly fee described under the caption "Administration" above. Pursuant to the NES subservicing agreement, NCMS has delegated its duties and responsibilities under the master servicing agreement to NES. The trust has entered into a servicing agreement with GLELSI providing for GLELSI to perform all of the obligations of the servicer in servicing the financed student loans. Under the GLELSI servicing agreement, GLELSI agrees to service, and perform all other related tasks with respect to, the financed student loans in compliance with applicable standards and procedures. See the captions "THE SPONSOR, THE ADMINISTRATOR, THE MASTER SERVICER AND THE SERVICER—The Administrator and Master Servicer" and "—The Servicer" herein and the captions "Master Servicing Agreement," the "NES Subservicing Agreement" and "GLELSI Servicing Agreement" below.

We are required under the Higher Education Act, the rules and regulations of the guarantee agencies and the indenture to use due diligence in the servicing and collection of student loans and to use collection practices no less extensive and forceful than those generally in use among financial institutions with respect to other consumer debt.

Master Servicing Agreement

Pursuant to the master servicing agreement, NCMS is required to oversee and manage the trust's servicing relationship and contract with GLELSI. Pursuant to the NES subservicing agreement, NCMS has delegated its duties and responsibilities under the master servicing agreement to NES. See the caption "NES Subservicing Agreement" below.

Administration. Pursuant to the master servicing agreement, NCMS is required to perform all of the trust's administrative obligations, including, but not limited to, the following:

(a) Collection, deposit, investment, disbursement and reporting of cash generated or used in the operation of the trust's student loan programs and the investment and management of all funds;

(b) Processing, storing and safekeeping of student loan documents and electronic data related thereto, maintenance of a disaster recovery plan with remote storage of computer software, data and student loan documents, and provision for offsite computer services;

(c) Developing and maintaining advanced information technology platforms to comprehensively administer the trust's student loans, protect the confidentiality of customer information and facilitate student borrower repayment and other interactions with the trust;

(d) Performing all of the trust's obligations under its agreements related to its student loan program; provided, however, that NCMS will perform such obligations solely from the trust's funds and that NCMS is not obligated to use its own funds or credit to perform such obligations;

(e) Immediately upon becoming aware of the existence of any event of default or potential event of default, NCMS is required to furnish to the trust a written statement of the Chief Executive Officer or Chief Financial Officer of NCMS setting forth details of such event and the action that NCMS recommends the trust take with respect thereto; and immediately upon becoming aware of any default by the servicer, NCMS is required to likewise immediately furnish the trust written notice thereof.

Not a Fiduciary. Notwithstanding anything to the contrary in the master servicing agreement, none of NCMS, its affiliates or their respective officers and directors shall be deemed a fiduciary of the trust.

Limitation on NCMS Authority. Notwithstanding any other provision in the master servicing agreement, NCMS does not have the authority to take any of the following actions on behalf of the trust without the approval of the sponsor:

(a) incur expenses outside of the budget approved by the trust;

(b) materially modify the terms of any financing arrangement or material contract;

(c) enter into new financing arrangements or material contracts;

(d) make new or additional investor disclosures;

(e) institute or defend litigation (other than student loan collection matters in the ordinary course of business); or

(f) acquire or dispose of assets

Actions Concerning the Student Loans. The trust covenants and agrees that it shall, at its expense, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Higher Education Act, the Student Loan Documents, agreements with any guarantee agencies, and all other agreements to which the trust is a party related to the financed student loans. The trust also covenants and

agrees that it will take no actions without the prior consent of NCMS (such consent to be not unreasonably withheld), that would cause or would be reasonably likely to cause a breach by the trust of its obligations under the master servicing agreement.

NCMS's Indemnification. NCMS is required to indemnify the trust against and hold the trust harmless from any and all loss, damage, liability, fines, penalties, cost or expense, including reasonable attorneys' fees, arising out of or resulting from: (a) NCMS's breach of any representation, warranty or covenant contained in the master servicing agreement (including, without limitation, any such breach which results in any dispute, claim, offset or defense (other than discharge in bankruptcy) of an obligor to the payment of any student loan or guarantee agreement (including, without limitation, a defense based on such student loan or guarantee agreement not being a legal, valid and binding obligation of such obligor enforceable against it in accordance with its terms)); (b) NCMS's violation, breach or non-compliance with the provisions of any federal, state or local law; or (c) any and all actions, suits, proceedings, demands, assessments or judgments incident to any of the foregoing, except any such actions, suits, proceedings, demands, assessments or judgments arising out of or resulting from the willful misconduct or negligence of the trust. NCMS's indemnification obligations under the master servicing agreement will survive the expiration or termination of the master servicing agreement.

Term and Termination. Unless earlier terminated as described below, the master servicing agreement will terminate in August of 2017. Upon the occurrence of an event of default under the master servicing agreement, in addition to any other remedies, a party may, at its option, terminate the master servicing agreement by giving written notice thereof to the other party. An "event of default" under the master servicing agreement includes:

(a) the breach by either party of any material term, condition or covenant contained in the master servicing agreement which is not cured within ninety (90) days after written notice by the other party;

(b) NCMS makes an assignment for the benefit of creditors, or the commencement of any proceeding under the United States Federal Bankruptcy Code by or against NCMS or of any proceeding alleging that NCMS is insolvent or unable to pay its debts as they mature;

(c) The entry of any judgment against NCMS in the amount of $250,000 or more which remains unpaid or unstayed for more than thirty (30) days; or

(d) The dissolution, merger, consolidation, winding up or liquidation or transfer (other than a transfer for security purposes) of a substantial part of the property of NCMS or any affiliated entity or person to whom the obligation of NCMS under the master servicing agreement have been assigned or subcontracted.

Until the earlier of (i) the termination date or (ii) sixty (60) days following the expiration date (or such other period as agreed to by the parties), NCMS shall continue to perform the services under the master servicing agreement and the trust shall continue to pay the management fee, and the parties shall cooperate in transitioning the services, including but not limited to servicing of private loans.

Assignment. NCMS may not assign the master servicing agreement in whole or in part or subcontract with others for the performance of any of the services provided for under the master servicing agreement without the prior written consent of the trust; provided, however, that NCMS may assign the master servicing agreement to an entity wholly-owned by NCMS or owned by a party that owns NCMS upon written notice to the trust.

NES Subservicing Agreement

General. Pursuant to the NES subservicing agreement, NES agrees to perform NCMS's duties and responsibilities under the master servicing agreement for and on behalf of NCMS and under NCMS's supervision and direction. NES covenants and agrees to fully and faithfully perform and complete the services required under the master servicing agreement in a manner that is consistent with the terms of the master servicing agreement and will fully and completely fulfill obligations of NCMS under the master servicing agreement. NES will maintain in

effect all qualifications required in order to perform its obligations under the NES subservicing agreement. NES possesses all requisite authority, permits and powers to conduct its business, including, without limitation, as a third-party servicer under the Higher Education Act.

Compensation. NES is paid an annual management fee by NCMS that is fixed for each year of the agreement as compensation for the services rendered by NES pursuant to the NES subservicing agreement.

Term and Termination. The term of the NES subservicing agreement is coterminous with the term of the master servicing agreement, see the caption "Master Servicing Agreement—*Term and Termination*" above, unless earlier terminated. The NES subservicing agreement may be terminated by mutual consent of NES and NCMS, or for cause upon (a) a breach by either party of a material term, condition or covenant (subject to cure rights), (b) certain insolvency or bankruptcy proceedings, (c) the loss of its eligibility as a third-party servicer under the Higher Education Act, (d) the entry of any judgment against NES of $250,000 or more which remains unpaid or unstayed for more than 30 days or (e) the dissolution, merger, consolidation, winding up or liquidation of NES or the sale of substantially all the assets of NES, without the consent of NCMS.

Indemnification. NES agrees to indemnify NCMS against and hold NCMS harmless from any and all loss, damage, liability, fines, penalties, costs or expense, arising out of or resulting from: (a) NES's breach of any representation, warranty or covenant contained in the NES subservicing agreement, (b) NES's violation, breach or non-compliance with the provisions of any federal, state or local law or (c) any and all actions, suits, proceedings, demand, assessments or judgments incidental to any of the forgoing, except any such action, suits, proceedings, demands, assessments or judgments arising out of or resulting from the willful misconduct or negligence of NCMS.

Assignment. NES may not assign the NES subservicing agreement in whole or in part or subcontract with others for the performance of any of the services thereunder without the prior consent of NCMS.

GLELSI Servicing Agreement

Pursuant to the GLELSI servicing agreement, GLELSI generally agrees to provide all customary post origination student loan servicing activities with respect to financed student loans that are FFELP student loans made under the T.H.E. Loan Programs. Such services generally include maintaining custody of copies of promissory notes and related documentation, billing for and processing payments from borrowers, undertaking certain required collection activities with respect to delinquent loans, establishing and maintaining records with respect to its servicing activities, and providing certain reports of its activities and the student loan portfolios serviced by GLELSI. The GLELSI servicing agreement continues in force until terminated or modified as set forth therein.

General Terms. Pursuant to the GLELSI servicing agreement, GLELSI will service and perform other related tasks with respect to the financed student loans which are submitted to GLELSI and accepted by GLELSI for servicing, as required by the Higher Education Act and all regulations issued by the Department of Education or the applicable guarantee agencies, in a diligent and lawful manner. The following summary describes certain terms of the GLELSI servicing agreement. The summary is not complete, and is subject to and qualified in its entirety, by reference to all of the provisions of the GLELSI servicing agreement.

Servicing. GLELSI will provide loan servicing services to us under the GLELSI servicing agreement as required by the Higher Education Act and all regulations issued by the Department of Education or by the applicable guarantee agencies to implement the Higher Education Act, including, but not limited to the following:

(a) perform for us all of our obligations as holder of financed student loans as required by the Higher Education Act and all regulations issued by the U. S. Department of Education or by the applicable guarantee agencies to implement the Higher Education Act;

(b) complete all forms and reports required by the Department of Education and by the applicable guarantee agencies;

(c) prepare a "Lender's Request for Payment of Interest and Special Allowance" to be used in billing the Department of Education for interest and the special allowance for all student loans on a quarterly basis and submit billing to the Department of Education within 30 days following the last day of each quarter, and accrue and capitalize interest on those student loans not eligible for interest subsidy;

(d) verify the current status of all borrowers not less often than annually through direct contact with each borrower and seek to verify the borrower's status;

(e) respond to borrower inquiries in a prompt, courteous and thorough manner;

(f) when a student loan becomes due for repayment, prepare a payment schedule and disclosure statement and mail to borrower;

(g) post to the borrower's account all payments of principal, interest and other charges and remit all collections to an account designated by us within two business days;

(h) remit overpayments of more than $5.00 directly to the borrower and write off balances of less than $10.00;

(i) handle all required borrower contact functions and meet all servicer "due diligence" requirements, as that term is used in the Higher Education Act and implementing regulations, including skip tracing, contacting delinquent borrowers, handling borrower requests for extension and deferments, and preparing and processing claims, including default, death, disability, bankruptcy, closed school and false certifications; and

(j) prepare and submit all papers and documents necessary to strictly follow reimbursement procedures specified in the applicable guarantee agency's common manual upon default of borrower and to promptly remit proceeds to us upon receipt from the guarantee agencies.

Termination. The GLELSI servicing agreement may be terminated by either party before its expiration at the end of a calendar quarter and only if written notice is given by us to GLELSI at least 30 days prior to the end of the calendar quarter, or by GLELSI to us at least 180 days prior to the end of the calendar quarter. In the event the GLELSI servicing agreement is terminated, GLELSI will continue its full servicing until the date of termination and will provide us with a full set of periodic reports, adjusted through the date of termination. Additionally, GLELSI will retain and provide us with all notes, records and papers relating to our accounts as required by the Higher Education Act.

We have not given, nor have we received, any such written notice, and we do not presently intend to give any such notice. Upon our termination of the GLELSI servicing agreement without cause, we are obligated to pay a servicing removal fee of $24 per account, or the actual cost, if higher, to remove an active account from GLELSI's system.

Compensation. The servicer receives a monthly fee for the servicing of financed student loans based on certain per account calculations which generally range from $1.33 to $2.79 per account. The servicing fee will be paid from amounts held in the Collection Fund, as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES—Flow of Funds" herein. Increases or decreases in such schedule may be made from time to time; provided however, that the trust will be given 60 days written notice prior to the effective date of any change in the fee schedule. Such effective date shall be the beginning of a calendar quarter (January 1, April 1, July 1 and October 1). Statements for services rendered will be provided on a monthly basis and are payable upon receipt.

Indemnification and Limitations on Liability. The GLELSI servicing agreement provides that GLELSI will exercise care and due diligence in performing the services required by its terms. To the extent GLELSI is required to appear in, or is made a defendant in any legal action or other proceeding commenced by a party other than the trust with respect to any matter arising under the GLELSI servicing agreement, we will indemnify and hold

GLELSI harmless from all loss, liability and expense (including reasonable attorney's fees) except for any loss, liability or expense arising out of or relating to GLELSI's negligent acts or omissions and misconduct with regard to the performance of services under the GLELSI servicing agreement. Subject to the succeeding paragraph, GLELSI will indemnify and hold us harmless from all loss, liability and expense (including reasonable attorney's fees) arising out of or relating to GLELSI's acts or omissions with regard to the performance of services under the GLELSI servicing agreement, provided, however, that GLELSI will not be liable in the performance of such services except for its gross or willful negligence or misconduct. GLELSI will not be liable for any consequential damages with respect to any matter whatsoever arising out of the GLELSI servicing agreement. Either party shall have the right to mitigate its liability under the GLELSI servicing agreement by taking such actions as may be appropriate, including but not limited to re-performance.

GLELSI and the trust recognize that GLELSI's lender servicing programs are separate and distinct from GLHEGC's guarantee program and Great Lakes Higher Education Corporation's (GLHEC) outreach and access mission. The trust specifically agrees to look only to GLELSI, in its capacity as a servicing agent, to satisfy any claims under the GLELSI servicing agreement relating to its functions as servicing agent. The trust specifically waives any claim under the GLELSI servicing agreement against GLHEGC's Guarantee Fund (as defined in 34 CFR § 682.410(a)(1)) and GLHEGC's Federal Reserve Fund and Administrative Operating Fund and all other escrows required under the Higher Education Act and any claim under the GLELSI servicing agreement against GLHEC.

Amendments. Except with respect to the adjustments of fees described under the caption "*Compensation*" above, the GLELSI Servicing Agreement may be amended by GLELSI at any time upon 30 days written notice to the trust, provided that the provisions of the GLELSI Servicing Agreement shall at all times be consistent with the trust's program rules and lenders forms and procedures for consumer law protection compliance. In the event of any such modification by GLELSI, the trust has 30 days in which to accept or reject the modification by notice in writing. In the event of rejection of proposed modification, either party may exercise its right to terminate as described under the caption "*Term and Termination*" above. In the event of termination for this reason, such modification shall not apply to the trust.

FFELP Student Loan Sale and Residual Interest Contribution Agreement

General. The trust and the eligible lender trustee will acquire the financed student loans, which were originated under the Federal Family Education Loan Program under the Higher Education Act, from the depositor and its eligible lender trustee, pursuant to the terms of a FFELP student loan sale and residual interest contribution agreement among the trust, the depositor and their respective eligible lender trustees. The FFELP student loan sale and residual interest contribution agreement will identify the portfolio of FFELP student loans to be acquired.

Representations, Warranties and Covenants. Pursuant to the FFELP student loan sale and residual interest contribution agreement, the depositor makes the following representations, warranties and covenants with respect to the student loans sold thereunder:

(a) Any information furnished by the depositor to the trust, or the trust's agents with respect to a student loan, including the loan transfer schedule attached to the loan transfer addendum, is true, complete and correct in all material respects.

(b) The amount of the unpaid principal balance of each student loan is due and owing, and no counterclaim, offset, defense or right to rescission exists with respect to any student loan which can be asserted and maintained or which, with notice or lapse of time could be asserted and maintained by the eligible borrower against the trust or the eligible lender trustee as assignee thereof. The depositor has taken all reasonable actions to assure that no maker of a student loan has a defense to the payment thereof. No student loan carries a rate of interest less than, or in excess of, the applicable rate of interest required by the Higher Education Act. If the Higher Education Act permits the depositor to charge an interest rate less than the applicable rate of interest, no student loan purchased hereunder bears interest at a rate lower than the applicable rate of interest; provided, however, such student loan may be subject to repayment incentive programs which do not exceed the parameters permitted by the indenture.

(c) Each student loan has been duly executed and delivered and constitutes the legal, valid and binding obligation of the maker (and the endorser, if any) thereof, enforceable in accordance with its terms.

(d) Each student loan complies in all respects with the requirements of the Higher Education Act and is an eligible loan under the indenture.

(e) The depositor or the depositor eligible lender trustee, acting on behalf of the depositor, has applied for and received the Department of Education's or a guarantor's designation, as the case may be, as an "eligible lender" under the Higher Education Act, and the depositor or the depositor eligible lender trustee has entered into all agreements required to be entered into for participation in the Federal Family Education Loan Program under the Higher Education Act.

(f) The depositor and the depositor eligible lender trustee, acting on behalf of the depositor, is the sole owner and holder of each student loan and has full right and authority to sell and assign the same free and clear of all liens, claims or encumbrances; and each student loan is free of any and all liens, claims, encumbrances and security interests of any description. Upon the sale of each student loan under the FFELP student loan sale and residual interest contribution agreement, the trust and the eligible lender trustee, acting on behalf of the trust, acquires full right and interest in the student loans free and clear of all liens, claims or encumbrances.

(g) Each student loan is guaranteed; such guarantee is in full force and effect, is freely transferable as an incident to the sale of each student loan; all amounts due and payable to the Department of Education or a guarantor, as the case may be, have been paid or provided for in full by the depositor.

(h) Each student loan was made in compliance with all applicable local, state and federal laws, rules and regulations, including, without limitation, all applicable nondiscrimination, truth in lending, consumer credit and usury laws.

(i) The depositor has, and its officers acting on its behalf have, full legal authority to engage in the transactions contemplated by the FFELP student loan sale and residual interest contribution agreement; the execution and delivery of the FFELP student loan sale and residual interest contribution agreement, the consummation of the transactions therein contemplated and compliance with the terms, conditions and provisions of the FFELP student loan sale and residual interest contribution agreement do not conflict with or result in a breach of any of the terms, conditions or provisions of the organizational documents of the depositor, or any agreement or instrument to which the depositor is a party or by which it is bound or constitute a default thereunder; the depositor is not a party to or bound by any agreement or instrument or subject to any charter or other corporation restriction or judgment, order, writ, injunction, decree, law, rule or regulation which materially and adversely affects the ability of the depositor to perform its obligations under the FFELP student loan sale and residual interest contribution agreement and the FFELP student loan sale and residual interest contribution agreement constitutes a valid and binding obligation of the depositor enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto, and no consent, approval or authorization is required in connection with the consummation of the transactions therein contemplated, except for those that have been obtained.

(j) The depositor is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has the power and authority to own its assets and carry on its business as now being conducted.

(k) A guarantee agreement is in effect with respect to all student loans and is valid and binding upon the parties thereto.

(l) Each student loan is evidenced by an executed promissory note (which may be in electronic form), which note is a valid and binding obligation of the eligible borrower, enforceable by or on behalf of the holder thereof in accordance with its terms, subject to bankruptcy, insolvency and other laws relating to or affecting creditors' rights.

(m) Each student loan is accruing interest (whether or not such interest is being paid currently, either by the eligible borrower or the Department of Education, or is being capitalized).

(n) Other than pursuant to the FFELP student loan sale and residual interest contribution agreement, the depositor has not pledged, assigned, sold, granted a security interest in (which has not been released with respect to the student loans), or otherwise conveyed any of the student loans. The depositor has not authorized the filing of and is not aware of any financing statements against the depositor that include a description of collateral covering the student loans (and which has not been released with respect to the student loan) other than any financing statement relating to transfer of the student loans pursuant to the FFELP student loan sale and residual interest contribution agreement. The depositor is not aware of any judgment or tax lien filings against the depositor.

(o) Except for marks or notations that are no longer applicable on or before the related loan purchase date, none of the student loans has any marks or notations indicating that it has been pledged, assigned or otherwise conveyed to any person other than the trust and the eligible lender trustee.

(p) The student loans sold by the depositor were not selected from student loans owned by the depositor in a manner so as to materially adversely affect the interests of the trust.

Repurchase Obligation. If any representation or warranty set forth in the FFELP student loan purchase agreement made or furnished by the depositor with respect to a student loan acquired thereunder proves to have been materially incorrect as of the date made, then the depositor is required to, upon obtaining knowledge thereof, notify the trust and the indenture trustee thereof, and, acting by and through the depositor Eligible Lender Trustee, shall within thirty (30) days of a request by the trust, the eligible lender trustee or the indenture trustee repurchase such student loan by paying to the trust for deposit with the indenture trustee pursuant to the indenture 100% of the then outstanding principal balance of such student loan, plus 100% of all interest accrued and unpaid on such student loan, plus, to the extent not paid by the Department of Education, 100% of the applicable unpaid special allowance payments and interest subsidy payments with respect to such student loan from the purchase date to and including the date of repurchase, plus any amounts owed to the Department of Education with respect to the repurchased student loan and any attorneys' fees, legal expenses, court costs, servicing fees or other expenses incurred by the trust, the eligible lender trustee, the indenture trustee or the appropriate successors or assigns in connection with such student loan.

Assignment of Rights. In addition, the depositor will assign its rights in the FFELP student loan sale and residual interest contribution agreement with the sponsor pursuant to which it acquired the student loans being transferred to the trust. Such FEELP student loan sale and residual interest contribution agreement with the sponsor contains similar repurchase obligations with respect to the representations and warranties made by the sponsor.

Contribution of Residual Interest in 2006-A Indenture. Pursuant to the FFELP student loan sale and residual interest contribution agreement, the depositor contributes its interest in the certain amounts released from the 2006-A indenture for the payment of the Class B notes.

SOURCES AND USES OF FUNDS

The following tables show the estimated sources and uses of funds relating to the notes:

Sources of Funds

Class A Note Proceeds	$674,600,000
Class B Note Proceeds	12,000,000
Cash Contribution	1,636,297
Total Sources of Funds	$688,236,297

Uses of Funds

Acquisition of Eligible Loans	$684,549,797
Deposit to Capitalized Interest Fund	2,000,000
Deposit to Reserve Fund	1,686,500
Total Uses of Funds	$688,236,297

In connection with the issuance of the notes and the retirement of obligations outstanding under prior debt arrangements of affiliates of the trust, NEF, as the sponsor of the trust, will deposit $10,070,346 in principal amount and accrued interest of student loans into the Acquisition Fund as part of the trust estate. The sponsor also will pay all of the costs of issuance of the notes. To the extent that payments have been made on the student loans anticipated to be acquired by the trust, such payments will be deposited to the Collection Fund on the date of issuance of the notes. See the caption "DESCRIPTION OF THE CLASS A NOTES—Principal Payments on the Class A Notes" herein.

FEES AND EXPENSES

The fees and expenses payable by the trust are set forth in the table below. The priority of payment of such fees and expenses is described under the caption "SECURITY AND SOURCES OF PAYMENTS FOR THE NOTES—Flow of Funds" herein.

Fee and Expense	Recipient	Amount
Servicing Fee	GLELSI	$1.35 to $2.79 per account/per month
Administration and Master Servicing Fee	NCMS	0.50%[(1)], less the Servicing Fee
Indenture Trustee Fee and Eligible Lender Trustee Fee	U.S. Bank National Association	0.0075%[(2)]
Delaware Trustee Fee	Wilmington Trust, National Association	$5,250 per annum[(3)]
Rating Agency Surveillance Fees	S&P and Fitch	$25,000 per annum
Trustee Extraordinary Expenses	U.S. Bank National Association	Not to exceed $50,000 per annum

(1) As a percentage of the pool balance.
(2) As a percentage of the principal amount of the Class A notes, subject to a minimum annual fee of $20,000.
(3) Subject to 3% inflation per year.

ACQUISITION OF STUDENT LOANS

The student loans expected to be pledged to the indenture trustee are education loans made to students and parents of students pursuant to the Federal Family Education Loan Program. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto. On the closing date, we will deposit into the Acquisition Fund the FFELP student loans purchased from the depositor on the closing date, which FFELP student loans will be acquired from the depositor pursuant to the FFELP student loan purchase and residual interest contribution agreement. The depositor will make certain representations and warranties concerning the financed student loans sold to the trust. In addition, the depositor will assign its interests in the FFELP student loan sale and residual interest contribution agreement from the sponsor pursuant to which the sponsor will make similar representations and warranties with respect to those student loans. Each student loan held under the indenture must constitute an eligible loan under the indenture. Each of the depositor and the sponsor has agreed to repurchase any financed student loan, within 30 days of a request for such repurchase, which did not constitute an eligible loan on its date of transfer due to actions taken or failed to be taken by owners of the financed student loans prior to the trust's purchase of the financed student loan or if the transfer should fail to provide the indenture trustee or the eligible lender trustee with good title to a financed student loan. See the caption "THE STUDENT LOAN OPERATIONS OF NORTHSTAR STUDENT LOAN TRUST I" herein.

CHARACTERISTICS OF THE STUDENT LOANS
(As of the Statistical Cut-off Date)

As of August 31, 2012, the statistical cut-off date, the characteristics of the pool of student loans we expect to acquire from the depositor on the closing date as described under the caption "ACQUISITION OF STUDENT LOANS" herein were as described below. Since the date we expect to acquire the student loans is other than the statistical cut-off date, the characteristics of those student loans will vary from the information presented below. We believe that the information set forth in this Offering Memorandum with respect to the pool of student loans as of the statistical cut-off date is materially representative of the characteristics of the pool of student loans as they will exist on the date that they are pledged to the indenture trustee under the indenture. You should consider potential variances when making your investment decision concerning the Class A notes. The aggregate outstanding principal balance of the student loans in each of the following tables includes the principal balance due from borrowers, but does not include accrued interest of $29,080,055 ($22,123,316 of which is expected to be capitalized). The percentages set forth in the tables below may not always add to 100% and the balances may not always add to $665,540,088 due to rounding.

Composition of the Student Loan Portfolio
(As of the Statistical Cut-off Date)

Aggregate outstanding principal balance	$665,540,088
Number of borrowers	19,128
Average outstanding principal balance per borrower	$34,794
Number of loans	56,892
Average outstanding principal balance per loan	$11,698
Weighted average annual interest rate	6.936%
Weighted average remaining term (months)	154
Weighted average payments made (months)	34

The weighted average annual borrower interest rate shown above excludes special allowance payments. The weighted average spread, including special allowance payments, to the one-month LIBOR rate was 2.35% as of the statistical cut-off date.

Distribution of the Student Loans by Loan Type
(As of the Statistical Cut-off Date)

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Stafford Unsubsidized	24,364	$380,866,880	57.2%
Stafford Subsidized	24,118	153,962,705	23.1
Consolidation Unsubsidized	398	10,515,951	1.6
Consolidation Subsidized	338	5,480,102	0.8
PLUS	7,674	114,714,451	17.2
Total	56,892	$665,540,088	100.0%

Distribution of the Student Loans by Interest Rate Type
(As of the Statistical Cut-off Date)

Interest Rate Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Fixed	55,570	$645,185,804	96.9%
Variable	1,322	20,354,284	3.1
Total	56,892	$665,540,088	100.0%

Distribution of the Student Loans by Interest Rate
(As of the Statistical Cut-off Date)

Interest Rate	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Less than 2.50%	1,312	$ 20,215,577	3.0%
2.50% to 2.99%	1	2,324	0.0*
3.00% to 3.49%	11	164,082	0.0*
3.50% to 3.99%	19	657,584	0.1
4.00% to 4.49%	26	783,238	0.1
4.50% to 4.99%	46	1,570,616	0.2
5.00% to 5.49%	71	1,545,047	0.2
5.50% to 5.99%	42	973,423	0.1
6.00% to 6.49%	208	2,711,872	0.4
6.50% to 6.99%	47,336	519,430,494	78.0
7.00% to 7.49%	151	2,676,795	0.4
7.50% to 7.99%	9	209,256	0.0*
8.00% to 8.49%	13	248,591	0.0*
Greater than 8.49%	7,647	114,351,191	17.2
Total	56,892	$665,540,088	100.0%

*Less than 0.05%.

Distribution of the Student Loans by School Type
(As of the Statistical Cut-off Date)

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Other/Unknown	137	$ 4,160,229	0.6%
4-Year +	53,676	640,421,036	96.2
4-Year Proprietary	3,079	20,958,823	3.1
Total	56,892	$665,540,088	100.0%

Distribution of the Student Loans by SAP Interest Rate Index
(As of the Statistical Cut-off Date)

SAP Interest Rate Index[(1)]	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
One-month LIBOR	56,892	$665,540,088	100.0%
Total	56,892	$665,540,088	100.0%

*Less than 0.05%.

[(1)]Reflects the effect of the affirmative elections made by prior holders of the trust's student loans under Public Law 112-74 (described under "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto), whereby such prior holders permanently changed the index for special allowance payment calculations on substantially all FFELP loans in their portfolios disbursed after January 1, 2000 (including certain of the trust's student loans) from the three-month commercial paper rate to the one-month LIBOR index, commencing with the special allowance payment calculations for the calendar quarter beginning on April 1, 2012. Therefore, all of the trust's student loans described above will have special allowance payment calculations based on the one-month LIBOR index.

Distribution of the Student Loans by Date of Disbursement (SAP)
(As of the Statistical Cut-off Date)

Disbursement Date	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
On or After October 1, 2007	8,564	$ 71,048,257	10.7%
April 1, 2006 -September 30, 2007	48,210	594,136,663	89.3
Before April 1, 2006	118	355,168	0.1
Total	56,892	$665,540,088	100.0%

The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. Student loans disbursed on or after October 1, 2007, are subject to a reduced special allowance payment formula. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special allowance payments" hereto.

Distribution of the Student Loans by Date of Disbursement (Guarantee)
(As of the Statistical Cut-off Date)

Disbursement Date	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
On or After July 1, 2006 (97%)	55,570	$645,185,804	96.9%
October 1, 1993 - June 30, 2006 (98%)	1,322	20,354,284	3.1
Total	56,892	$665,540,088	100.0%

Student loans disbursed on or after October 1, 1993 and before July 1, 2006, are 98% guaranteed by the guarantee agency. Loans for which the first disbursement is made on or after July 1, 2006, are 97% guaranteed by the guarantee agency. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special allowance payments" hereto.

Distribution of the Student Loans by Borrower Payment Status
(As of the Statistical Cut-off Date)

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
School	2,140	$ 17,019,353	2.6%
Grace	1,214	11,237,767	1.7
Deferment	6,950	74,914,609	11.3
Forbearance	8,917	149,529,418	22.5
Repayment			
First Year	3,019	43,618,169	6.6
Second Year	5,719	76,329,514	11.5
Third Year	10,237	117,232,147	17.6
More than Three Years	18,420	173,093,648	26.0
Claim	276	2,565,465	0.4
Total	56,892	$665,540,088	100.0%

Distribution of the Student Loans by Number of Days Delinquent
(As of the Statistical Cut-off Date)

Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Not in Repayment	19,221	$252,701,146	38.0%
0-30 days	35,258	387,810,756	58.3
31-60 days	919	9,896,476	1.5
61-90 days	298	3,269,507	0.5
91-120 days	212	2,091,477	0.3
More than 120 Days	984	9,770,727	1.5
Total	56,892	$665,540,088	100.0%

Distribution of the Student Loans by Range of Principal Balance
(As of the Statistical Cut-off Date)

Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Less than $500	959	$ 250,943	0.0%*
$500 to $999	1,424	1,082,448	0.2
$1,000 to $1,999	3,360	5,053,595	0.8
$2,000 to $2,999	3,871	9,689,943	1.5
$3,000 to $3,999	3,810	13,322,033	2.0
$4,000 to $5,999	6,453	32,054,297	4.8
$6,000 to $7,999	5,956	41,740,836	6.3
$8,000 to $9,999	12,511	110,467,189	16.6
$10,000 to $14,999	6,562	79,524,753	11.9
$15,000 to $19,999	2,520	42,907,855	6.4
$20,000 to $24,999	1,784	40,091,389	6.0
$25,000 to $29,999	1,710	47,045,570	7.1
$30,000 to $34,999	1,709	55,505,812	8.3
$35,000 to $39,999	1,413	52,768,796	7.9
$40,000 to $49,999	2,386	106,014,601	15.9
$50,000 or more	464	28,020,027	4.2
Total	56,892	$665,540,088	100.0%

*Less than 0.05%.

Distribution of the Student Loans by Geographic Location
(As of the Statistical Cut-off Date)

The following chart shows the geographic distribution of the student loans based on the permanent billing addresses of the borrowers as shown on the servicer's records:

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Alabama	508	$ 8,114,222	1.2%
Alaska	109	1,136,568	0.2
Arizona	1,017	13,940,048	2.1
Arkansas	187	2,366,239	0.4
California	10,095	120,875,796	18.2
Colorado	713	9,207,576	1.4
Connecticut	689	8,348,277	1.3
Delaware	146	1,814,170	0.3
District of Columbia	719	8,582,797	1.3
Florida	1,227	15,883,253	2.4
Georgia	1,271	12,595,265	1.9
Hawaii	161	1,995,472	0.3
Idaho	125	1,517,259	0.2
Illinois	2,592	29,129,821	4.4
Indiana	381	4,536,414	0.7
Iowa	272	2,893,041	0.4
Kansas	232	2,957,475	0.4
Kentucky	368	5,642,264	0.8
Louisiana	1,433	17,855,625	2.7
Maine	872	6,384,968	1.0
Maryland	1,699	15,523,513	2.3

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Massachusetts	1,363	17,371,279	2.6
Michigan	1,496	18,289,519	2.7
Minnesota	3,961	26,069,236	3.9
Mississippi	162	1,782,415	0.3
Missouri	795	10,000,985	1.5
Montana	119	1,210,795	0.2
Nebraska	199	1,803,691	0.3
Nevada	272	3,611,093	0.5
New Hampshire	308	2,710,349	0.4
New Jersey	1,989	17,383,646	2.6
New Mexico	212	2,592,198	0.4
New York	4,464	57,558,115	8.6
North Carolina	1,124	15,582,174	2.3
North Dakota	61	615,015	0.1
Ohio	2,017	25,756,764	3.9
Oklahoma	490	7,961,528	1.2
Oregon	761	8,026,365	1.2
Pennsylvania	2,873	38,971,754	5.9
Puerto Rico	54	907,234	0.1
Rhode Island	174	2,403,491	0.4
South Carolina	480	6,463,297	1.0
South Dakota	54	506,849	0.1
Tennessee	1,004	13,136,431	2.0
Texas	3,015	39,087,303	5.9
Utah	363	5,490,978	0.8
Vermont	156	1,856,336	0.3
Virginia	1,464	19,900,428	3.0
Washington	784	9,431,535	1.4
West Virginia	139	1,666,543	0.3
Wisconsin	1,395	12,972,281	1.9
Wyoming	35	358,046	0.1
Guam	19	124,898	0.0*
Northern Mariana Islands	4	18,633	0.0*
Virgin Islands	21	278,692	0.0*
Armed Forces	38	299,218	0.0*
Armed Forces Pacific	36	286,198	0.0*
Foreign Country	175	1,754,717	0.3
Total	56,892	$665,540,088	100.0%

*Less than 0.05%.

Distribution of the Student Loans by Servicer
(As of the Statistical Cut-off Date)

Servicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
Great Lakes Education Loan Services, Inc.	56,892	$665,540,088	100.0%
Total	56,892	$665,540,088	100.0%

Distribution of the Student Loans by Guarantee Agency
(As of the Statistical Cut-off Date)

Guarantee Agency*	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
American Student Assistance	1,617	$ 18,481,997	2.8%
California Student Aid Commission	2,564	22,181,930	3.3
Great Lakes Higher Education Guaranty Corporation	49,889	588,916,877	88.5
Texas Guaranteed Student Loan Corporation	2,052	27,866,093	4.2
Others	770	8,093,191	1.2
Total	56,892	$665,540,088	100.0%

*See the caption "INFORMATION RELATING TO THE GUARANTEE AGENCIES" herein for the full name of the guarantee agencies.

Distribution of the Student Loans by Remaining Term
(As of the Statistical Cut-off Date)

Remaining Term	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Balance
37 to 48	3	$ 4,237	0.0%*
49 to 60	216	1,053,812	0.2
61 to 72	2,374	12,982,237	2.0
73 to 84	5,098	30,841,158	4.6
85 to 96	7,501	68,180,605	10.2
97 to 108	6,961	77,429,858	11.6
109 to 120	10,463	146,870,131	22.1
121 to 132	8,717	124,258,103	18.7
133 to 144	1,858	17,797,514	2.7
145 to 156	955	9,168,014	1.4
157 to 168	429	3,054,752	0.5
169 to 180	237	1,746,433	0.3
181 to 192	216	1,925,097	0.3
193 to 220	153	1,294,489	0.2
221 to 260	2,142	22,347,275	3.4
261 to 300	8,451	121,940,649	18.3
Over 300	1,118	24,645,723	3.7
Total	56,892	$665,540,088	100.0%

*Less than 0.05%.

STUDENT LOAN GUARANTEES AND FEDERAL REINSURANCE

Guarantee Agencies

A guarantee agency guarantees loans made to students or parents of students by eligible lenders. A guarantee agency generally purchases defaulted student loans which it has guaranteed with its reserve fund. A lender may submit a default claim to the guarantee agency after the student loan has been delinquent for at least 270 days. The default claim package must include all information and documentation required under the FFELP regulations and the guarantee agency's policies and procedures.

In general, a guarantee agency's reserve fund is funded principally by federal default fees, claim reinsurance payments from the Secretary of Education, investment income on moneys in the reserve fund, and a portion of the moneys collected from borrowers on guaranteed loans that have been reimbursed by the Secretary of Education to cover the guarantee agency's administrative expenses.

The Higher Education Act gives the Secretary of Education various oversight powers over guarantee agencies. These include requiring a guarantee agency to maintain its reserve fund at a certain required level and taking various actions relating to a guarantee agency if its administrative and financial condition jeopardizes its ability to meet its obligations. The Higher Education Act provides that a guarantee agency's reserve fund shall be considered to be the property of the United States to be used in the operation of the FFELP, and under certain circumstances, the Secretary of Education may demand payment of amounts in the reserve fund.

Under the Higher Education Act, if the Department of Education has determined that a guarantee agency is unable to meet its guarantee obligations, the holders of loans guaranteed by such guarantee agency must submit claims directly to the Department of Education, and the Department of Education is required to pay the full guarantee payment due with respect thereto in accordance with guarantee claims processing standards no more stringent than those applied by the guarantee agency.

There are no assurances as to the Secretary of Education's actions if a guarantee agency encounters administrative or financial difficulties or that the Secretary of Education will not demand that a guarantee agency transfer additional portions or all of its reserve fund to the Secretary of Education.

Federal agreements

A guarantee agency's right to receive federal reimbursements for various guarantee claims paid by such guarantee agency is governed by the Higher Education Act and various contracts entered into between the guarantee agency and the Secretary of Education. Each guarantee agency and the Secretary of Education have entered into federal reimbursement contracts pursuant to the Higher Education Act, which provide for the guarantee agency to receive reimbursement of a percentage of guarantee payments that the guarantee agency makes to eligible lenders with respect to loans guaranteed by the guarantee agency prior to the termination of the federal reimbursement contracts or the expiration of the authority of the Higher Education Act. The federal reimbursement contracts provide for termination under certain circumstances and also provide for certain actions short of termination by the Secretary of Education to protect the federal interest.

In addition to guarantee benefits, qualified student loans acquired under the FFELP benefit from certain federal subsidies. Each guarantee agency and the Secretary of Education have entered into an Interest Subsidy Agreement under the Higher Education Act which entitles the holders of eligible loans guaranteed by the guarantee agency to receive interest subsidy payments from the Secretary of Education on behalf of certain students while the student is in school, during a six to twelve month grace period after the student ceases to be enrolled on at least a half-time basis, and during certain deferment periods, subject to the holders' compliance with all requirements of the Higher Education Act.

Federal insurance and reimbursement of guarantee agencies

Eligibility for federal reimbursement

To be eligible for federal reimbursement payments, guaranteed loans must be made by an eligible lender under the applicable guarantee agency's guarantee program, which must meet requirements prescribed by the rules and regulations promulgated under the Higher Education Act, including the borrower eligibility, loan amount, disbursement, interest rate, repayment period and federal default fee provisions described herein and the other requirements set forth in the Higher Education Act.

The delinquency period required for a student loan to be declared in default is 270 days for loans payable in monthly installments and 330 days for a loan payable less frequently than monthly. The guarantee agency must pay the lender for the defaulted loan prior to submitting a claim to the Secretary of Education for reimbursement. The

guarantee agency must submit a reimbursement claim to the Secretary of Education within 30 days after it has paid the lender's default claim. As a prerequisite to entitlement to payment on the guarantee by the guarantee agency, and in turn payment of reimbursement by the Secretary of Education, the lender must have exercised reasonable care and diligence in making, servicing and collecting the guaranteed loan.

In making the loan, the lender must ensure the loan is being made to an eligible borrower attending an eligible institution under the Higher Education Act. The lender must obtain a valid promissory note executed by the borrower and must also disclose the terms and conditions of the loan as well as the borrower's rights and responsibilities before making the loan. The loan proceeds must then be disbursed in a specified manner.

After the loan is made, the lender must establish repayment terms with the borrower, properly administer deferments and forbearances, and credit the loan for payments made. If a borrower becomes delinquent in repaying a loan, the lender must perform certain collection procedures, primarily telephone calls, demand letters, skip tracing procedures and requesting assistance from the applicable guarantee agency, that vary depending upon the length of time a loan is delinquent.

Effect of annual claims rate

The Secretary of Education currently agrees to reimburse the guarantee agency for the amounts paid on default claims made by lenders as described in the table below, so long as the eligible lender has properly serviced such loans. The Secretary of Education also agrees to repay 100% of the unpaid principal plus applicable accrued interest expended by a guarantee agency in discharging its guarantee obligation as a result of the borrower's ineligibility for the loan, bankruptcy, death, total and permanent disability, attendance at a closed school, or loan being falsely certified. In the case of a PLUS Loan obtained by the parent of a dependent student, the Secretary of Education agrees to repay 100% of the unpaid principal plus applicable accrued interest as a result of the dependent student's death or attendance at a closed school, or the loan being falsely certified. Also, the Secretary of Education agrees to reimburse the guarantee agency for an amount equal to a refund to which the borrower was entitled but did not receive from the school plus any accrued interest and other costs associated with the unpaid refund that should have been made by the school.

The reimbursement formula for default claims varies depending on when the loan was initially disbursed, as summarized below:

Claims Rate	Federal Payment on loans disbursed prior to 10/1/93	Federal Payment on loans disbursed on or after 10/01/93	Federal Payment on loans disbursed on or after 10/01/98
0% up to 5%	100%	98%	95%
5% up to 9%	100% of claims up to 5%; 90% of claims 5% and over	98% of claims up to 5%; 88% of claims 5% and over	95% of claims up to 5%; 85% of claims 5% and over
9% and over	100% of claims up to 5%; 90% of claims 5% and over, up to 9%; 80% of claims 9% and over	98% of claims up to 5%; 88% of claims 5% and over, up to 9%; 78% of claims 9% and over	95% of claims up to 5%; 85% of claims 5% and over up to 9%; 75% of claims 9% and over

The claims rate is not accumulated from year to year, but is determined solely on the basis of reinsurance claims paid by the Secretary of Education to the guarantee agency in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year. The original principal amount of loans in repayment means the original principal amount of all loans guaranteed by a guarantee agency less:

- the original principal amount of loans for which the guarantee was canceled;
- the original principal amount of loans for which the first principal installment payment has not become due;

- the original principal amount of loans that have been fully repaid; and

- the original principal amount of loans for which reinsurance has been lost and cannot be regained.

The reduced reinsurance for federal guarantee agencies increases the risk that resources available to guarantee agencies to meet their guarantee obligation will be significantly reduced.

The Secretary of Education may withhold reimbursement payments if a guarantee agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary of Education or applicable federal law.

Under the guarantee agreements, if a payment on a FFELP loan guaranteed by a guarantee agency is received after reimbursement by the Secretary of Education, the guarantee agency is entitled to receive an equitable share of the payment. Under present practice, after the Secretary of Education reimburses a guarantee agency for a default claim paid on a guaranteed loan, the guarantee agency continues to seek repayment from the borrower. The guarantee agency returns to the Secretary of Education payments that it receives from a borrower after deducting and retaining: a percentage amount equal to the complement of the reimbursement percentage in effect at the time the default claim was paid to the lender and an amount currently equal to 23% of such payments for certain administrative costs. The Secretary of Education may, however, require the assignment of defaulted loans to the Secretary, in which event no further collection activities need be undertaken by the guarantee agency, and no amount of any recoveries shall be paid to the guarantee agency.

Rehabilitation of defaulted loans

Under the Higher Education Act, the Secretary of Education is authorized to enter into an agreement with a guarantee agency pursuant to which the guarantee agency sells defaulted loans that are eligible for rehabilitation to an eligible lender. For a defaulted loan to be rehabilitated, the borrower must request rehabilitation and the guarantee agency must receive an on-time, voluntary, full payment each month for 12 consecutive months. However, effective July 1, 2006, for a loan to be eligible for rehabilitation, the guarantee agency must receive 9 payments made within 20 days of the due date during 10 consecutive months. Upon rehabilitation, a loan is eligible for all the benefits under the Higher Education Act for which it would have been eligible had no default occurred.

The guarantee agency repays the Secretary of Education an amount equal to 81.5% of the outstanding principal balance of the loan at the time of sale to the lender multiplied by the reimbursement percentage in effect at the time the loan was reimbursed. The amount of such repayment is deducted from the amount of federal reimbursement payments for the fiscal year in which such repayment occurs, for purposes of determining the reimbursement rate for that fiscal year.

Effective July 1, 2006, the guarantee agency may charge the borrower and retain collection costs in an amount not to exceed 18.5% of the outstanding principal and interest balance at the time of sale of the rehabilitated loan.

Loans subject to repurchase

The Higher Education Act requires a lender to repurchase loans from a guarantee agency, under certain circumstances, after the guarantee agency has paid for the loan through the claim process. A lender is required to repurchase:

- a loan found to be legally unenforceable against the borrower;

- a loan for which a bankruptcy claim has been paid if the borrower's bankruptcy is subsequently dismissed by the court or, as a result of the bankruptcy hearing, the loan is considered non-dischargeable and the borrower remains responsible for repayment of the loan;

- a loan which is subsequently determined not to be in default; or

- a loan for which the guarantee agency inadvertently paid the claim.

INFORMATION RELATING TO THE GUARANTEE AGENCIES

The payment of principal and interest on all of the student loans held in the trust estate created under the indenture will be guaranteed by designated guarantee agencies and will be reinsured by the United States Department of Education. The guarantee provided by each guarantee agency is an obligation solely of that guarantee agency and is not supported by the full faith and credit of the federal or any state government. However, the Higher Education Act provides that if the Secretary of Education determines that a guarantee agency is unable to meet its insurance obligations, the Secretary shall assume responsibility for all functions of the guarantee agency under its loan insurance program. For further information on the Secretary of Education's authority in the event a guarantee agency is unable to meet its insurance obligations see the caption "STUDENT LOAN GUARANTEES AND FEDERAL REINSURANCE" herein.

As of the statistical cut-off date, 88% of the student loans held in the trust estate are guaranteed by Great Lakes Higher Education Guaranty Corporation ("GLHEGC"), the remaining 12% are guaranteed by one of the following guarantee agencies:

- American Student Assistance
- California Student Aid Commission
- New York State Higher Education Services Corporation
- Texas Guaranteed Student Loan Corporation
- Educational Credit Management Corporation

Presented below is information with respect to Great Lakes Higher Education Guaranty Corporation. Except as otherwise indicated, the information regarding Great Lakes Higher Education Guaranty Corporation has been obtained from Great Lakes Higher Education Guaranty Corporation and has not been independently verified.

Great Lakes Higher Education Guaranty Corporation

Great Lakes Higher Education Guaranty Corporation ("GLHEGC") is a Wisconsin nonstock, nonprofit corporation the sole member of which is Great Lakes Higher Education Corporation ("GLHEC"). GLHEGC's predecessor organization, GLHEC, was organized as a Wisconsin nonstock, nonprofit corporation and began guaranteeing student loans under the Higher Education Act in 1967. GLHEGC is the designated guaranty agency under the Higher Education Act for Wisconsin, Minnesota, Ohio, South Dakota, Puerto Rico and the Virgin Islands. On January 1, 2002, GLHEC (and GLHEGC directly and through its support services agreement with GLHEC), outsourced certain aspects of its student loan program guaranty support operations to GLELSI. GLHEGC continues as the "guaranty agency" as defined in Section 435(j) of the Higher Education Act and continues its default aversion, claim purchase and compliance, collection support and federal reporting responsibilities as well as custody and responsibility for all revenues, expenses and assets related to that status. GLHEGC (through its support services agreement with GLHEC) also performs oversight of all direct and outsourced student loan program operations. The primary operations center for GLHEC and its affiliates (including GLHEGC and GLELSI) is in Madison, Wisconsin, which includes the data processing center and operational staff offices for both guaranty and servicing functions. GLHEC and affiliates also maintain offices in St. Paul, Minnesota, Aberdeen, South Dakota and Boscobel and Eau Claire, Wisconsin and customer support staff located nationally. GLHEGC will provide a copy of GLHEC's most recent consolidated financial statements on receipt of a written request directed to 2401 International Lane, Madison, Wisconsin 53704, Attention: Chief Financial Officer.

The information in the following tables has been provided to the trust from reports provided by or to the U.S. Department of Education and has not been verified by the trust, GLHEGC or the initial purchaser. No representation is made by the trust, GLHEGC or the initial purchaser as to the accuracy or completeness of this

information. Prospective investors may consult the U.S. Department of Education Data Books and Web sites http://www2.ed.gov/finaid/prof/resources/data/opeloanvol.html and http://www.fp.ed.gov/pubs.html for further information concerning GLHEGC or any other guaranty agency.

Guaranty Volume. GLHEGC's guaranty volume for each of the last five available federal fiscal years, including Stafford, Unsubsidized Stafford, SLS, PLUS, Graduate PLUS and Consolidation loan volume, was as follows:

Federal Fiscal Year	Guaranty Volume (Millions)
2007	$11,797.3
2008	7,399.9
2009	7,010.8
2010	*
2011	*

* As of October 1, 2012, the U.S. Department of Education has not published the guaranty volume information for federal fiscal years 2010 and 2011.

Reserve Ratio. Following are GLHEGC's reserve fund levels as calculated in accordance with 34 CFR 682.410(a)(10) for the last five federal fiscal years:

Federal Fiscal Year	Federal Guaranty Reserve Fund Level[1]
2007	0.69%
2008	0.76
2009	0.77
2010	0.93
2011	0.96

The U.S. Department of Education's website at http://www.fp.ed.gov//pubs.html has posted reserve ratios for GLHEGC for federal fiscal years 2007, 2008, 2009, 2010 and 2011 of 0.550%, 0.613%, 0.610%, 0.744% and 0.744% respectively. GLHEGC believes the Department of Education has not calculated the reserve ratio in accordance with the Higher Education Act and the correct ratio should be 0.69%, 0.76%, 0.77%, 0.93% and 0.96% respectively, as shown above and as explained in the following footnote. On November 17, 2006, the U.S. Department of Education advised GLHEGC that beginning in Federal Fiscal Year 2006 it will publish reserve ratios that include loan loss provision and deferred revenues. GLHEGC believes this change more closely approximates the statutory calculation. According to the U.S. Department of Education, available cash reserves may not always be an accurate barometer of a guarantor's financial health.

[1] In accordance with Section 428(c)(9) of the Higher Education Act, does not include loans transferred from the former Higher Education Assistance Foundation, NorthStar Guarantee Inc., Ohio Student Aid Commission or Puerto Rico Higher Education Assistance Corporation. (The minimum reserve fund ratio under the Higher Education Act is 0.25%.)

Claims Rate. For the past five federal fiscal years, GLHEGC's claims rate has not exceeded 5%, and, as a result, the highest allowable reinsurance has been paid on all GLHEGC's claims. The actual claims rates are as follows:

Federal Fiscal Year	Claims Rate
2007	0.77%
2008	0.98
2009	1.34
2010	2.05
2011	1.59

As a result of various statutory and regulatory changes over the past several years, historical rates may not be an accurate indicator of current delinquency or default trends or future claims rates.

DESCRIPTION OF THE CLASS A NOTES

General

The Class A notes and the Class B notes will be issued pursuant to the terms of an indenture of trust, dated as of October 1, 2012 (the "indenture"), between the trust and U.S. Bank National Association, as eligible lender trustee and indenture trustee. The following summary describes the material terms of the indenture and the Class A notes. However, it is not complete and is qualified in its entirety by the actual provisions of the indenture and the Class A notes. No payments of principal or interest on the Class B notes will be paid from the trust estate securing the Class A notes prior to the payment in full of the principal and interest on the Class A notes. The Class B notes, but not the Class A notes, are additionally secured by and payable from certain amounts released from the 2006-A Indenture, as described herein.

The indenture trustee did not participate in the preparation of this Offering Memorandum and makes no representations concerning the Class A notes, the collateral or any other matter stated in this Offering Memorandum. The indenture trustee has no duty or obligation to pay the Class A notes from its own funds, assets or corporate capital or to make inquiry regarding, or investigate the use of, amounts disbursed from the trust estate.

Interest Payments

Interest will accrue on the Class A notes during each interest accrual period. The initial interest accrual period for the Class A notes begins on the closing date and ends on December 25, 2012. For each other monthly distribution date, the interest accrual period will begin on the immediately preceding monthly distribution date and end on the day before such current monthly distribution date.

Interest on the Class A notes will be payable to the Class A noteholders on each monthly distribution date commencing December 26, 2012. Subsequent monthly distribution dates for the Class A notes will be on the 25th day of each month, or if any such day is not a business day, the next business day. Interest accrued but not paid on any monthly distribution date will be due on the next monthly distribution date together with an amount equal to interest on the unpaid amount at the applicable rate per annum described below.

The interest rate on the Class A notes for each interest accrual period, other than the initial interest accrual period, will be equal to one-month LIBOR, plus 0.70%. LIBOR for the initial interest accrual period for the Class A notes will be determined by the following formula:

$$x + [a/b * (y-x)]$$

where: x = two-month LIBOR,

y = three-month LIBOR,

a = the actual number of days from the maturity date of two-month LIBOR to the first monthly distribution date, and

b = the actual number of days from the maturity date of two-month LIBOR to the maturity date of three-month LIBOR,

in each case, determined as of the second business day before the start of the initial interest accrual period.

The indenture trustee will determine the rate of interest on the Class A notes on the LIBOR determination date described below. Interest shall be calculated on the basis of the actual number of days elapsed in each Interest Accrual Period divided by 360 and rounding the resultant figure to the fifth decimal point.

Calculation of LIBOR

For each interest accrual period, LIBOR will be determined by the indenture trustee by reference to the London interbank offered rate for deposits in U.S. Dollars having a maturity of one month which appears on Bloomberg, or another page of this or any other financial reporting service in general use in the financial services industry, as of 11:00 a.m., London time, on the related LIBOR determination date. The LIBOR determination date will be the second business day before the beginning of each interest accrual period. If this rate does not appear on Bloomberg, or another page of this or any other financial reporting service in general use in the financial services industry, the rate for that day will be determined on the basis of the rates at which deposits in U.S. Dollars, having the relevant maturity and in a principal amount of not less than U.S. $1,000,000, are offered at approximately 11:00 a.m., London time, on that LIBOR determination date, to prime banks in the London interbank market by four major banks in that market selected by the trust. The indenture trustee will request the principal London office of each bank to provide a quotation of its rate. If the banks provide at least two quotations, the rate for that day will be the arithmetic mean of the quotations. If the banks provide fewer than two quotations, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the indenture trustee, at approximately 11:00 a.m., New York time, on that LIBOR determination date, for loans in U.S. Dollars to leading European banks having the relevant maturity and in a principal amount of not less than U.S. $1,000,000. If the banks selected as described above are not providing quotations, one-month LIBOR in effect for the applicable interest accrual period will be one-month LIBOR in effect for the previous accrual period.

"Business day" means:

- for purposes of calculating LIBOR, any day on which banks in New York, New York and London, England are open for the transaction of international business; and

- for all other purposes, any day other than a Saturday, Sunday, holiday or other day on which banks located in New York, New York, Wilmington, Delaware or the city in which the principal office of the indenture trustee is located, are authorized or permitted by law, regulation or executive order to close.

Principal Payments on the Class A Notes

The monthly distribution date on which the Class A notes are due and payable in full is December 26, 2031. The monthly distribution date on which the Class B notes are due and payable in full is January 25, 2032. The actual date on which the final distribution on each class of Class A notes will be made may be earlier than the maturity dates set forth above as a result of a variety of factors.

Principal distributions will be allocated to the Class A notes on each monthly distribution date until the Class A notes are paid in full. No payments of principal or interest on the Class B notes will be paid from the trust estate securing the Class A notes prior to the payment in full of the principal and interest on the Class A notes. The Class B notes, but not the Class A notes, are additionally secured by and payable from certain amounts released from the 2006-A Indenture, as described herein. On the closing date, the sum of the aggregate outstanding principal balance of the student loans, accrued interest on the student loans and the Capitalized Interest Fund, Collection Fund and Reserve Fund balances will be approximately 103.51% of the aggregate principal amount of the Class A notes.

Optional Purchase

The depositor or its assignee may, but is not required to, purchase the remaining student loans in the trust on the date that is the tenth business day preceding the monthly distribution date on which the outstanding pool balance is 10% or less of the initial pool balance. If this purchase option is exercised, the student loans will be sold to the depositor and the proceeds will be used on the succeeding monthly distribution date to repay outstanding notes, which will result in early retirement of the Class A notes.

If the depositor or its assignee exercises its purchase option, the purchase price will equal the greater of the fair market value of the student loans remaining in the trust estate and the prescribed minimum purchase price. The prescribed minimum purchase price is the amount that, when combined with amounts on deposit in the funds and accounts held under the indenture, would be sufficient to:

- reduce the outstanding principal amount of each class of notes then outstanding on the related monthly distribution date to zero;
- pay to each class of noteholders the interest payable on the related monthly distribution date; and
- pay any unpaid administration and master servicing fees, servicing fees, trustees' fees and expenses and all other trust fees and expenses.

"Pool Balance" means, for any date, the aggregate principal balance of the financed student loans on that date, including accrued interest that is expected to be capitalized, after giving effect to the following, without duplication:

- all payments received by the trust through that date from borrowers, the guarantee agencies and the U.S. Department of Education;
- all amounts received by the trust through that date from purchases of student loans;
- all liquidation proceeds and realized losses on the student loans through that date;
- the aggregate amount of any adjustments to balances of the student loans that any servicer makes under a servicing agreement through that date; and
- the amount by which reimbursements from guarantee agencies of the unpaid principal balance of defaulted student loans through that date are reduced from 100% to 97%, or other applicable percentage, as required by the risk sharing provisions of the Higher Education Act.

Mandatory Auction

If any notes are outstanding and the depositor or its assignee does not notify the indenture trustee of its intention to exercise its right to repurchase student loans in the trust when the pool balance is 10% or less of the initial pool balance, all of the remaining student loans in the trust will be offered for sale by the indenture trustee before the next succeeding monthly distribution date. The depositor, or its designated affiliates and unrelated third parties may offer to purchase the financed student loans in the auction. The net proceeds of any auction sale will be used to retire any outstanding notes on the next monthly distribution date.

The indenture trustee will solicit and resolicit new bids from all participating bidders until only one bid remains or the remaining bidders decline to resubmit bids. The indenture trustee will accept the highest bid remaining if it equals or exceeds both the minimum purchase price described above and the fair market value of the student loans remaining in the trust estate. If the highest bid after the solicitation process does not equal or exceed both the minimum purchase price described above and the fair market value of the student loans remaining in the trust estate, the indenture trustee will not complete the sale. If the sale is not completed, the indenture trustee shall, at the direction of the administrator, solicit bids for the sale of the financed student loans at the end of future collection periods using procedures similar to those described above. The indenture trustee may or may not succeed in soliciting acceptable bids for the financed student loans either on the auction date or subsequently.

Prepayment, Yield and Maturity Considerations

Generally, all of the financed student loans are prepayable in whole or in part, without penalty, by the borrowers at any time, or as a result of a borrower's default, death, disability or bankruptcy and subsequent liquidation or collection of guarantee payments with respect to such loans. The rates of payment of principal on the Class A notes and the yield on the Class A notes may be affected by prepayments of the financed student loans. Because prepayments generally will be paid through to Class A noteholders as distributions of principal, it is likely that the actual final payments on the Class A notes will occur prior to the Class A notes' final maturity date. Accordingly, in the event that the financed student loans experience significant prepayments, the actual final payments on the Class A notes may occur substantially before their final maturity date, causing a shortening of the Class A notes' weighted average life. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a Class A note until each dollar of principal of such Class A note will be repaid to the investor.

The rate of prepayments on the financed student loans cannot be predicted and may be influenced by a variety of economic, social and other factors. Generally, the rate of prepayments may tend to increase to the extent that alternative financing becomes available on more favorable terms or at interest rates significantly below the interest rates payable on the financed student loans. In addition, the depositor or the sponsor may be obligated to repurchase a given student loan as a result of a breach of certain representations and warranties relating to such student loan, and in some cases, the servicer may be required to repurchase a student loan as a result of a breach of the related servicing agreement. In addition, defaults on student loans result in guarantee payments being made on such student loans, which will accelerate the prepayment of the Class A notes.

However, scheduled payments with respect to, and maturities of, the financed student loans may be extended, including pursuant to grace periods, deferral periods and forbearance periods. The rate of payment of principal on the Class A notes and the yield on the Class A notes may also be affected by the rate of defaults resulting in losses on the financed student loans that may have been liquidated, by the severity of those losses and by the timing of those losses, which may affect the ability of the guarantee agencies to make guarantee payments on such student loans. In addition, the maturity of certain of the financed student loans may extend beyond the final maturity date for the Class A notes.

See "APPENDIX A—WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES FOR THE CLASS A NOTES" attached hereto.

Payment of the Class B notes

Prior to the payment in full of the Class A notes, the Class B notes will be paid solely from certain amounts released from the 2006-A Indenture and deposited to the Class B Collection Fund. No payments of principal or interest on the Class B notes will be paid from the trust estate securing the Class A notes prior to the payment in full of the principal and interest on the Class A notes. Upon the payment in full of the principal of and interest on the Class A notes, principal of and interest on the Class B notes will be paid from the trust estate as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES—Flow of Funds" herein.

SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES

General

The Class A notes and the trust's obligations under the indenture are special, limited obligations, secured by and payable solely from the trust estate. The assets serving as security for the Class A notes include:

- revenues relating to the student loans (other than moneys released from the lien of the trust estate as provided in the indenture), including (i) all collections received by the servicer with respect to the student loans (including payments from any guarantee agency received with respect to the student loans), net of any collections in respect of principal on student loans that are applied to repurchase guaranteed loans from the guarantee agencies or the servicer and amounts required to be paid to the Department of Education or to be repaid to borrowers with respect to such student loans, (ii) interest subsidy payments and special allowance payments, (iii) any proceeds from the sale or other disposition of the student loans and (iv) investment income from all funds created under the indenture (other than moneys released from the lien of the trust estate as provided in the indenture);

- all moneys and investments held in the funds and accounts created under the indenture; and

- the student loans acquired and deposited in or accounted for in the Acquisition Fund or substituted or exchanged for such loans (excluding student loans released from the lien of the indenture as permitted thereby).

The trustee also has a pledge of amounts received pursuant to the 2006-A Indenture for the payment of the principal of and interest on the Class B notes; however, such amounts are not available to pay the principal of or interest on the Class A notes, and are not part of the trust estate securing the Class A notes.

Funds

The following funds will be created by the indenture trustee under the indenture for the benefit of the noteholders:

- Acquisition Fund;
- Collection Fund;
- Class B Collection Fund;
- Capitalized Interest Fund;
- Department Rebate Fund;
- Reserve Fund; and
- Trustee Expense Reserve Fund.

Acquisition Fund

On the closing date, we will deposit into the Acquisition Fund approximately $684,549,797. In addition, NEF, as the sponsor of the trust, will deposit $10,070,346 in principal amount and accrued interest of student loans into the Acquisition Fund as part of the trust estate. Amounts deposited into the Acquisition Fund represent the

proceeds from the sale of the notes (less amounts deposited into the Capitalized Interest Fund, the Collection Fund and the Reserve Fund), and will be used to purchase student loans on the closing date. The trust will purchase the student loans for a price equal to 100% of their aggregate outstanding principal balance as of the cut-off date plus accrued interest but unpaid to and including the cut-off date. The student loans acquired by the trust with the proceeds of the notes and the additional student loans contributed by the sponsor will be held within the Acquisition Fund. To the extent that payments have been made on the student loans anticipated to be acquired by the trust, such payments will be deposited to the Collection Fund on the date of issuance of the notes.

Collection Fund

The indenture trustee will deposit into the Collection Fund all revenues derived from the student loans, money or other assets on deposit in the trust, amounts received under any joint sharing agreement and all amounts transferred from the Capitalized Interest Fund, the Department Rebate Fund, the Reserve Fund and the Trustee Expense Reserve Fund. Money on deposit in the Collection Fund will be used to pay the trust's operating expenses (which include amounts owed to the U.S. Department of Education and the guarantee agencies, amounts due under any joint sharing agreement, administration and master servicing fees, servicing fees and trustees' fees and expenses) and interest and principal on the notes. See the caption "Flow of Funds" below.

The Class B Collection Fund

A separate Class B Collection Fund is established pursuant to the indenture to provide for the payment of the Class B notes. The indenture trustee will deposit into the Collection Fund certain amounts released from the 2006-A Indenture to be used to pay principal of and interest on the Class B notes. The Class A noteholders will not have any interest in the Class B Collection Fund. Money on deposit in the Collection Fund will be used to pay interest and principal on the Class B notes.

Department Rebate Fund

The indenture trustee will establish a Department Rebate Fund as part of the trust estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. We expect that the Department of Education will reduce the special allowance and interest subsidy payments payable to the trust by the amount of any such rebates owed by the trust. However, in certain circumstances the trust may owe a payment to the Department of Education or to another trust pursuant to a joint sharing agreement. If the administrator believes that the trust is required to make any such payment, the administrator will direct the indenture trustee to deposit into the Department Rebate Fund the estimated amounts of any such payments on each monthly distribution date from funds available in the Collection Fund as described under the caption "Flow of Funds" below. Money in the Department Rebate Fund will be transferred to the Collection Fund to the extent amounts have been deducted by the Department of Education from payments otherwise due to the trust, or will be paid to the Department of Education or another trust if necessary to discharge the trust's rebate obligation. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto.

Capitalized Interest Fund

The trust will make a deposit to the Capitalized Interest Fund from the proceeds of the notes in the amount of $2,000,000. If on any monthly distribution date, money on deposit in the Collection Fund is insufficient to make certain required deposits to the Department Rebate Fund and pay certain amounts due to the U.S. Department of Education, as well as certain expenses of the trust relating to the indenture, amounts due under any joint sharing agreement, administration and master servicing fees, servicing fees, trustees' fees and expenses and interest then due on the Class A notes (and the Class B notes after the Class A notes are no longer outstanding), then money on deposit in the Capitalized Interest Fund will be transferred to the Collection Fund to cover the deficiency, prior to any amounts being transferred from the Reserve Fund. Amounts transferred from the Capitalized Interest Fund will not be replenished. On the September 2013 monthly distribution date, the indenture trustee will transfer any amounts remaining in the Capitalized Interest Fund to the Collection Fund.

Reserve Fund

A deposit will be made to the Reserve Fund from the proceeds of the notes in an amount equal to $1,686,500. On each monthly distribution date, to the extent that money in the Collection Fund is not sufficient to make certain required deposits to the Department Rebate Fund and pay certain amounts due to the U.S. Department of Education, as well as certain expenses of the trust relating to the indenture, amounts due under any joint sharing agreement, administration and master servicing fees, servicing fees, trustees' fees and expenses and interest then due on the Class A notes (and the Class B notes after the Class A notes are no longer outstanding), the amount of the deficiency will be paid directly from the Reserve Fund, to the extent moneys are not available to be transferred to the Collection Fund from the Capitalized Interest Fund. Money withdrawn from the Reserve Fund will be restored through transfers from the Collection Fund as available. The Reserve Fund is subject to a minimum balance equal to the greater of 0.25% of the principal amount of the Class A notes, and 0.15% of the initial principal amount of the Class A notes, which amount may be satisfied with cash or permitted securities.

The Reserve Fund is intended to enhance the likelihood of timely distributions of interest to the Class A noteholders (and the Class B noteholders after the Class A notes are no longer outstanding) and to decrease the likelihood that the Class A noteholders (and the Class B noteholders after the Class A notes are no longer outstanding) will experience losses. In some circumstances, however, the Reserve Fund could be reduced to zero. Except on the final maturity date of a class of the notes, amounts on deposit in the Reserve Fund, other than amounts in excess of the Reserve Fund minimum balance that are transferred to the Collection Fund, will not be available to cover any principal payment shortfalls. On the final maturity date of a class of the notes, amounts on deposit in the Reserve Fund will be available to pay principal on such class of notes and accrued interest. If the market value of securities and cash in the Reserve Fund is on any monthly distribution date sufficient to pay the remaining principal amount of and interest accrued on the notes, such amount will be so applied on such monthly distribution.

Trustee Expense Reserve Fund

On each monthly distribution date, the trust will make a deposit to the Trustee Expense Reserve Fund equal to the lesser of (a) $4,167 and (b) the amount necessary bring the balance of the Trustee Expense Reserve Fund to $150,000 from funds available in the Collection Fund as described under the caption Flow of Funds" below. Amounts on deposit in the Trustee Expense Reserve Fund will be used by the indenture trustee, upon written notice to the trust and the administrator, to pay trustee expenses.

Flow of Funds

On each monthly distribution date, prior to an event of default, available funds in the Collection Fund (which may include under certain circumstances money deposited in the Collection Fund during the current collection period) will be used to make the following deposits and distributions, in the following order:

- to make (a) any required deposits to the Department Rebate Fund and (b) any payments required pursuant to any joint sharing agreement;
- to the administrator, the master servicer, the indenture trustee and the eligible lender trustee, pro rata, the administration and master servicing fees, servicing fees and trustees' fees and expenses due on such monthly distribution date;
- to the Trustee Expenses Reserve Fund, the lesser of (a) $4,167 and (b) the amount necessary bring the balance of the Trustee Expense Reserve Fund to $150,000;
- to the Class A noteholders, to pay interest due on the Class A notes;
- to the Reserve Fund, the amount, if any, necessary to restore the Reserve Fund to the Reserve Fund minimum balance;

- to the applicable noteholders, all remaining amounts to pay principal to the Class A noteholders, pro rata, until the Class A notes have been paid in full; provided, however, that $2,000,000 shall remain in the Collection Fund until September 2015 monthly distribution date;

- to the Class B noteholders, to pay interest due on the Class B notes;

- to the Class B noteholders, to pay principal due on the Class B notes, pro rata, until the Class B notes have been paid in full;

- to pay to the appropriate person, any unreimbursed fees and expenses or indemnification amounts owed by the trust to such person; and

- to the trust, any remaining amounts.

Investment of funds held by indenture trustee

The indenture trustee will invest amounts credited to any fund or account established under the indenture in investment securities described in the indenture pursuant to orders received from us. In the absence of an order, and to the extent practicable, the indenture trustee will invest amounts held under the indenture in money market funds.

The indenture trustee is not responsible or liable for any losses on investments made by it or for keeping all funds held by it fully invested at all times. Its only responsibility is to comply with investment instructions in a non-negligent manner.

BOOK-ENTRY REGISTRATION

General

Investors acquiring beneficial ownership interests in the Class A notes issued in book-entry form may hold their Class A notes through DTC, if those investors are participants of DTC, or indirectly through organizations which are participants in DTC.

None of the trust, the master servicer, the servicer, the indenture trustee or the initial purchaser will have any responsibility or obligation to any DTC participants or the persons for whom they act as nominees with respect to the accuracy of any records maintained by DTC or any participant, the payment by DTC or any participant of any amount due to any beneficial owner in respect of the principal amount or interest on the Class A notes, the delivery by any DTC participant of any notice to any beneficial owner which is required or permitted under the terms of the indenture to be given to Class A noteholders or any other action taken by DTC.

In certain circumstances, the trust may discontinue use of the system of book-entry transfers through DTC or a successor securities depository. In that event, note certificates will be printed and delivered. DTC may discontinue providing its services as securities depository with respect to the Class A notes at any time by giving reasonable notice to the trust and the indenture trustee. In the event that a successor securities depository is not obtained, note certificates ("Individual Notes") are required to be printed and delivered.

Form, denomination and trading

Form and Denomination

Class A notes will be issued in the form of global notes in definitive, fully registered form (the "Global Notes") and will be deposited with the indenture trustee, as a custodian for The Depository Trust Company ("DTC"), and registered in the name of Cede & Co. ("Cede"), a nominee of DTC, for credit to the respective accounts of the purchasers of such Class A notes at DTC. The Global Notes (and any Class A notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and in the indenture and will

bear the legend regarding such restrictions set forth under the caption "NOTICE TO INVESTORS" herein. You will not receive a certificate representing your Class A notes except in very limited circumstances.

The Class A notes will be issued in minimum denominations of $100,000 and in integral multiples of $1,000 in excess thereof.

Global Notes

DTC will record electronically the outstanding principal balance of the Class A notes represented by Global Note certificates held within its system. DTC will hold interests in Global Note certificates on behalf of its account holders through customers' securities accounts in DTC's name on the books of its depositary.

The Class A notes will be represented initially by the Global Notes and will be deposited with the indenture trustee as custodian for DTC or any successor and registered in the name of Cede & Co., as nominee of DTC. Initially, no person other than a Qualified Institutional Buyer may own a beneficial interest in the Global Notes. No transfer of a Class A note will be made unless such transfer is exempt from the registration requirements of the Securities Act and any applicable state securities laws or is made in accordance with the Securities Act and applicable laws. In the event of any such transfer, unless made to a Qualified Institutional Buyer in reliance on Rule 144A under the Securities Act, the indenture trustee shall require a written opinion of counsel as described in the indenture, to the effect that such transfer may be made pursuant to an exemption or is being made pursuant to the Securities Act and applicable law, and the indenture trustee shall also require the transferee to execute a transferee letter in the form attached to the indenture certifying that such transfer complies with federal and state law. The cost of any such opinions and transferee letters shall not be an expense of the indenture trustee, the trust, the administrator or the trust estate. In the event of a transfer to a Qualified Institutional Buyer in reliance on Rule 144A, such transfer shall only be made upon receipt by the trust of a written certification by the proposed transferee, in the form attached to the indenture, to the effect that such transferee is a Qualified Institutional Buyer, provided, however, that such a written certification need not be received by the trust if the proposed transferee is listed in the latest available Standard & Poor's Rating Group Rule 144A list of Qualified Institutional Buyers or other industry recognized subscriber services listing Qualified Institutional Buyers.

No holder of a beneficial interest in a Global Note will be entitled to receive an Individual Note representing its interest in such Global Note, except under the limited circumstances described below under the caption "Individual Notes" below. Unless and until Individual Notes are issued in respect of the Global Notes, all references to actions by holders of the Global Notes will refer to actions taken by DTC upon instructions received from holders of beneficial interests in Global Notes through its participating organizations (the "Participants"), and all references herein to payments, notices, reports and statements to holders of Class A notes in global form will refer to payments, notices, reports and statements to DTC or its custodian, as the registered holder of the Global Notes, for distribution to holders of beneficial interests in Global Notes through its participants in accordance with DTC procedures.

Unless and until Individual Notes are issued in respect of the Global Notes, beneficial interests in the Global Notes will be transferred on the book-entry records of DTC and its participants. The indenture trustee will not record or otherwise provide or be responsible for the registration of such transfers.

Qualified Institutional Buyers who are owners of Class A notes may hold their Class A notes through DTC if they are Participants of such system, or indirectly through organizations that are Participants in such systems. Transfers between DTC Participants will occur in accordance with DTC rules, subject to compliance with the transfer restrictions in the indenture.

Individual Notes

If DTC is at any time unwilling or unable to continue as a depository, Class A notes in definitive registered form will be issued to the beneficial owners in exchange for the Global Notes. In such event, Individual Notes delivered in exchange for the Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

In the case of Individual Notes issued in exchange for a Global Note, such Individual Note will bear the legend referred to under the caption "NOTICE TO INVESTORS" herein (unless the trust determines otherwise in accordance with applicable law). The holders of a registered Individual Note may transfer such Individual Note, subject to compliance with the provisions of such legend, by surrendering it at the office or agency maintained for such purpose, which initially will be the office of the indenture trustee.

DTC

The following information concerning DTC and DTC's book-entry system has been obtained from information made publicly available by DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities distributed through DTC and certain related matters, but the trust and the initial purchaser take no responsibility for the accuracy of such statements.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Class A notes. The Class A notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each maturity of the Class A notes, in the aggregate principal amount of such issue, and will be deposited with the indenture trustee on behalf of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. This website is not incorporated into and shall not be deemed part of this Offering Memorandum.

Purchases of Class A notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Class A notes on DTC's records. The ownership interest of each actual purchaser of each Class A note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Class A notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Class A notes, except in the event that use of the book-entry system for the Class A notes is discontinued.

To facilitate subsequent transfers, all Class A notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Class A notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Class A notes; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Class A notes are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Class A notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Class A notes, such as redemptions, tenders, defaults, and proposed amendments to the Class A note documents. For example, Beneficial Owners of Class A notes may wish to ascertain that the nominee holding the Class A notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Class A notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the trust as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Class A notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and payments on the Class A notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the trust or indenture trustee, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the indenture trustee or the trust, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the trust or the indenture trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Class A notes at any time by giving reasonable notice to the trust or the indenture trustee. Under such circumstances, in the event that a successor depository is not obtained, Class A note certificates are required to be printed and delivered. The trust may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Class A note certificates will be printed and delivered to DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the trust believes to be reliable, but the trust takes no responsibility for the accuracy thereof.

SUMMARY OF THE INDENTURE PROVISIONS

The following is a summary of some of the provisions contained in the indenture. This summary is not comprehensive and reference should be made to the indenture for a full and complete statement of its provisions.

Parity and priority of lien

The provisions of the indenture are for the equal benefit, protection and security of the holders of all of the notes. However, the Class A notes have priority over the Class B notes with respect to payments of principal and interest.

The revenues and other money, student loans and other assets pledged under the indenture will be free and clear of any pledge, lien, charge or encumbrance, other than that created by the indenture. The trust:

- will not create or voluntarily permit to be created any debt, lien or charge on the student loans which would be on a parity with, subordinate to, or prior to the lien of the indenture;

- will not take any action or fail to take any action that would result in the lien of the indenture or the priority of that lien for the obligations thereby secured being lost or impaired; and

- will, subject to limited exceptions set forth in the indenture, pay or cause to be paid, or will make adequate provisions for the satisfaction and discharge, of all lawful claims and demands which if unpaid might by law be given precedence to or any equality with the indenture as a lien or charge upon the student loans.

Representations and warranties

The trust will represent and warrant in the indenture that, among other things:

- it is duly authorized to create and issue the notes, and to grant the trust estate to the indenture trustee, and the creation and issuance of the notes, the delivery and performance of the indenture, and the grant of the trust estate to the indenture trustee have been duly authorized by the trust by all necessary statutory trust action; and

- the notes in the hands of the noteholders of the notes are legal, valid and binding obligations of the trust, enforceable against the trust in accordance with their terms, subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally and to general principles of equity.

Sale of student loans held in trust estate

Except under the circumstances described in the indenture, student loans may not be sold, or otherwise disposed of, by the indenture trustee free from the lien of the indenture while any notes are outstanding. However, the trust may sell student loans so long as (i) the sale price for each such student loan is not less than the amount required to prepay in full such student loan under its terms, (ii) the aggregate principal balance of all such sales of student loans does not exceed 2% of the initial pool balance and (iii) any such sale of student loans will not cause a material change in the overall composition of the pool of student loans pledged under the indenture.

Further covenants

The trust will cause financing statements and continuation statements to be filed in any jurisdiction necessary to perfect and maintain the security interest it grants under the indenture.

Upon written request of the indenture trustee, the trust will permit the indenture trustee or its agents, accountants and attorneys, to examine and inspect the property, books of account, records, reports and other data relating to the student loans, and will furnish the indenture trustee such other information as it may reasonably request. The indenture trustee shall be under no duty to make any examination unless requested in writing to do so by the noteholders of 66-2/3% of the principal amount of the notes, and unless those noteholders have offered the indenture trustee security and indemnity satisfactory to it against any fees, costs, expenses and liabilities which might be incurred in making any examination.

Each year the trust will deliver to the indenture trustee a certification of its compliance with the conditions and covenants under the indenture, and in the event of any noncompliance, a description of the nature and status thereof.

Statements to Noteholders

The trust will provide to the indenture trustee, and the indenture trustee will post a copy thereof at www.usbank.com/abs or at such other address as the indenture trustee provides from time to time, a monthly

statement setting forth information with respect to the notes and student loans as of the end of such period, including the following:

- the amount of principal payments made with respect to the notes of each class during the preceding period;
- the amount of interest payments made with respect to the notes of each class during the preceding period;
- the principal balance of student loans as of the close of business on the last day of the preceding period;
- the interest rate for the notes of each class with respect to each distribution date;
- the number and principal amount of student loans that are delinquent or for which claims have been filed with a guarantee agency; and
- the outstanding principal amount of the notes of each class as of the close of business on the last day of the preceding period.

In connection with providing access to the indenture trustee's Internet website, the indenture trustee may require registration and the acceptance of a disclaimer. Such information will also be available on the sponsor's website at http://www.northstar.org/Investors/.

Enforcement of the master servicing agreement and any servicing agreement

The trust will cause to be diligently enforced all terms, covenants and conditions of the master servicing agreement and any servicing agreement, including the prompt payment of all amounts due to the trust under such servicing agreements. The trust will not permit the release of the obligations of a servicer under its servicing agreement except in conjunction with permitted amendments or modifications and will not waive any default by the master servicer or the servicer under the master servicing agreement or a servicing agreement without the approval of the noteholders of not less than a majority of the principal amount of the highest priority notes outstanding under the indenture. The trust will not consent or agree to or permit any amendment or modification of the master servicing agreement or a servicing agreement which will in any manner materially adversely affect the rights or security of the noteholders.

Additional covenants with respect to the Higher Education Act

The trust will cause the indenture trustee to be, or replace the indenture trustee with, an eligible lender under the Higher Education Act. The trust will acquire or cause to be acquired only student loans originated and held only by an eligible lender.

The trust (or the administrator on behalf of the trust) is responsible for each of the following actions with respect to the Higher Education Act:

- dealing with the guarantee agencies with respect to the rights, benefits and obligations under the guarantee agreements with respect to the student loans;
- causing to be diligently enforced, and causing to be taken all reasonable steps necessary or appropriate for the enforcement of all terms, covenants and conditions of all student loans and agreements in connection with the student loans, including the prompt payment of all principal and interest payments and all other amounts due under the student loans;

- causing the student loans to be serviced by entering into a servicing agreement with a servicer for the collection of payments made for, and the administration of the accounts of, the student loans;

- complying with, and causing all of its officers, trustees, employees and agents to comply, with the provisions of the Higher Education Act and any regulations or rulings under the Higher Education Act, with respect to the student loans; and

- causing all available funds under the indenture, including the benefits of the guarantee agreements, the interest subsidy payments and the special allowance payments, to flow to the indenture trustee.

The indenture trustee will have no obligation to administer, service or collect the financed student loans or to maintain or monitor the administration, servicing or collection of those loans.

Continued existence; Successor

The trust will preserve and keep in full force and effect its existence, rights and franchises as a Delaware statutory trust, except as permitted by the indenture. The trust will not sell or otherwise dispose of all or substantially all of its assets (except as permitted by the indenture), consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge with the trust. These restrictions do not apply to a transaction where the transferee or the surviving or resulting entity, if other than the trust, irrevocably and unconditionally assumes the obligation to perform and observe the trust's agreements and obligations under the indenture.

Events of default

The indenture defines the following events as events of default:

- default in the due and punctual payment of any interest on any note when the same becomes due and payable and such default shall continue for a period of five days; provided, however, that a default in the due and punctual payment of any interest on any Class B note shall not be an event of default if any Class A notes are outstanding;

- default in the due and punctual payment of the principal of any note when the same becomes due and payable on the related final maturity date of the note; provided, however, that a default in the due and punctual payment of principal on any Class B note shall not be an event of default if any Class A notes are outstanding;

- default in the performance or observance of any other of the trust's covenants, agreements or conditions contained in the indenture or in the notes, and continuation of such default for a period of 90 days after written notice thereof is given to the trust by the indenture trustee; and

- the occurrence of an event of bankruptcy.

Remedies on default

Possession of trust estate. Except as otherwise provided in the indenture, upon the happening and continuance of any event of default, the indenture trustee may take possession of any portion of the trust estate that may be in the custody of others, and all property comprising the trust estate, and may hold, use, operate, manage and control those assets. The indenture trustee may also, in the name of the trust or otherwise, conduct the trust's business and collect and receive all charges, income and revenues of the trust estate. After deducting all expenses incurred and all other proper outlays authorized in the indenture, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, the indenture trustee will apply the rest and residue of the money received by the indenture trustee, other than certain amounts received pursuant to the 2006-A Indenture which shall be used to solely pay the principal and interest on the Class B notes, as follows:

- first, to the Department of Education, any Guarantee Agency and, pursuant to any joint sharing agreement, any affiliate of the sponsor, amounts due and owing thereto;

- second, to the administrator, the indenture trustee, the eligible lender trustee, the Delaware trustee and the servicer for fees due and owing to such parties;

- third, to the Class A noteholders for amounts due and unpaid on the Class A notes for interest, pro rata, without preference or priority of any kind, according to the amounts due and payable on the Class A notes for such interest;

- fourth, to the Class A noteholders for amounts due and unpaid on the Class A notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Class A notes for principal;

- fifth, to the Class B noteholders for amounts due and unpaid on the Class B notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Class B notes for such current interest;

- sixth, to the Class B noteholders for amounts due and unpaid on the Class B notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the Class B notes for principal;

- seventh, to pay to the appropriate person, any unreimbursed fees and expenses or indemnification amounts owned by the trust to such person; and

- eighth, to the trust.

Notwithstanding the foregoing, with respect to a covenant event of default, the indenture trustee is required to seek direction from noteholders holding at least 51% of the collective aggregate principal amount of the highest priority notes at the time outstanding with respect to any action that would incur expenses in excess of the amount then on deposit in the Trustee Expense Reserve Fund.

Sale of trust estate. Upon the happening of any event of default and if the principal of all of the outstanding notes has been declared due and payable, then the indenture trustee may sell the trust estate to the highest bidder in accordance with the requirements of applicable law. In addition, the indenture trustee may proceed to protect and enforce the rights of the indenture trustee and the noteholders in such manner as counsel for the indenture trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the indenture, or in aid of the execution of any power therein granted, or for the enforcement of such other appropriate legal or equitable remedies as may in the opinion of such counsel, be more effectual to protect and enforce the rights aforesaid. The indenture trustee is required, provided it has received satisfactory indemnity, to take any of these actions if requested to do so in writing by the noteholders of at least a majority of the principal amount of the highest priority notes outstanding under the indenture.

However, the indenture trustee is prohibited from selling the student loans following an event of default, other than a default in the payment of any principal or any interest on any note, unless:

- The holders of all of the highest priority notes outstanding consent to such sale;

- The proceeds of such sale are sufficient to pay in full all outstanding notes at the date of such sale; or

- The trust determines that the collections on the student loans would not be sufficient on an ongoing basis to make all payments on such notes as such payments would have become due if such notes had not been declared due and payable, and the indenture trustee obtains the consent of

the holders of at least 66-2/3% of the aggregate principal amount of the highest priority notes outstanding.

Such a sale shall also require the consent of all the noteholders of the Class B notes unless the proceeds of such a sale would be sufficient to discharge all unpaid amounts on the Class B notes.

Appointment of receiver. If an event of default occurs, and all of the outstanding notes under the indenture have been declared due and payable, and if any judicial proceedings are commenced to enforce any right of the indenture trustee or of the noteholders under the indenture, then as a matter of right, the indenture trustee shall be entitled to the appointment of a receiver for the trust estate.

Accelerated maturity. If an event of default occurs and is continuing, the indenture trustee at the direction of the noteholders of a majority of the collective aggregate principal amount of the highest priority notes then outstanding under the indenture will declare all notes outstanding under the indenture to be immediately due and payable (including both unpaid principal and accrued and unpaid interest thereon through the date of acceleration). A declaration of acceleration upon the occurrence of a default may be rescinded upon notice to the trust and the indenture trustee by a majority of the noteholders of the highest priority notes then outstanding if the trust has paid or deposited with the indenture trustee amounts sufficient to pay all principal and interest due on the notes (other than amounts due solely as a result of such acceleration) and all sums paid or advanced by the indenture trustee under the indenture and the reasonable compensation, expenses, disbursements and advances of the indenture trustee, the eligible lender trustee, the Delaware trustee and the servicers, and any other event of default has been cured or waived.

Direction of indenture trustee. If an event of default occurs, the noteholders of at least a majority of the principal amount of the highest priority notes then outstanding shall have the right to direct and control the indenture trustee with respect to any proceedings for any sale of any or all of the trust estate, or for the appointment of a receiver. The noteholders may not cause the indenture trustee to take any proceedings which in the indenture trustee's opinion based upon an opinion of counsel would be unjustly prejudicial to non-assenting noteholders of notes outstanding under the indenture.

Right to enforce in indenture trustee. No noteholder of any note shall have any right as a noteholder to institute any suit, action or proceedings for the enforcement of the provisions of the indenture or for the appointment of a receiver or for any other remedy under the indenture. All rights of action under the indenture are vested exclusively in the indenture trustee, unless and until the indenture trustee fails to institute an action or suit as described in the indenture for thirty days after:

- the noteholders have given to the indenture trustee written notice of a default under the indenture, and of the continuance thereof;
- noteholders of the requisite principal amount of the notes then outstanding shall have made written request upon the indenture trustee and the indenture trustee shall have been afforded reasonable opportunity to institute an action, suit or proceeding in its own name; and
- the indenture trustee shall have been offered indemnity and security satisfactory to it against the costs, expenses, and liabilities to be incurred on an action, suit or proceeding in its own name.

Waivers of events of default. The indenture trustee will waive an event of default upon the written request of the noteholders of at least a majority of the collective aggregate principal amount of the highest priority notes then outstanding under the indenture. A waiver of any event of default in the payment of the principal or interest due on any note issued under the indenture may not be made unless prior to the waiver or rescission, provision shall have been made for payment of all arrears of interest or all arrears of payments of principal, and all expenses of the indenture trustee in connection with such default. A waiver or rescission of one default will not affect any subsequent or other default, or impair any rights or remedies consequent to any subsequent or other default.

The indenture trustee

Acceptance of trust. The indenture trustee will accept the trusts imposed upon it by the indenture, and will perform those trusts, but only upon and subject to the following terms and conditions:

- except during the continuance of an event of default, the indenture trustee undertakes to perform only those duties as are specifically set forth in the indenture;

- except during the continuance of an event of default and in the absence of bad faith on its part, the indenture trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the indenture trustee and conforming to the requirements of the indenture;

- in case an event of default has occurred and is continuing, the indenture trustee, in exercising the rights and powers vested in it by the indenture, will use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs; and

- before taking any action under the indenture requested by noteholders, the indenture trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the noteholders for the reimbursement of all fees and expenses to which it may be put and to protect it against liability arising from any action taken by the indenture trustee.

Indenture trustee may act through agents. The indenture trustee may execute any of the trusts or powers under the indenture and perform any duty thereunder either itself or by or through its independent agents. The trust will pay all reasonable costs incurred by the indenture trustee and all reasonable compensation to all such persons as may reasonably be employed in connection with the trust.

Duties of the indenture trustee. The indenture trustee will not make any representations as to the validity or sufficiency of the agreements, the notes or of materials used in connection with the sale of the notes. If no event of default has occurred, the indenture trustee is required to perform only those duties specifically required of it under the indenture. Upon receipt of the various certificates, statements, reports or other instruments furnished to it, the indenture trustee is required to examine them to determine whether they are in the form required by the agreements. However, the indenture trustee will not be responsible for the accuracy or content of any of the documents furnished to it by the holders or any of the parties under the agreements.

The indenture trustee may be held liable for its negligent action or failure to act, or for its willful misconduct. The indenture trustee will not be liable, however, with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of holders of a majority of the aggregate principal amount of the notes then outstanding, as described in the indenture. In addition, the indenture trustee is not required to expend its own funds or incur any financial liability in the performance of its duties, or in the exercise of any of its rights or powers.

Indemnification of indenture trustee. The indenture trustee is generally under no obligation or duty to perform any act at the request of noteholders or to institute or defend any suit to protect the rights of the noteholders under the indenture unless properly indemnified and provided with security to its satisfaction. The indenture trustee is not required to take notice, or be deemed to have knowledge, of any default or event of default of the trust under the indenture unless and until it shall have been specifically notified in writing of the default or event of default by the noteholders (as provided in the indenture) or the trust's authorized representative.

However, the indenture trustee may begin suit, or appear in and defend suit, execute any of the trusts created by the indenture, enforce any of its rights or powers, or do anything else in its judgment proper to be done by it as indenture trustee, without assurance of reimbursement or indemnity. In that case the indenture trustee will be reimbursed or indemnified by the noteholders requesting that action, if any, or by the trust in all other cases, for all fees, costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements properly incurred

unless such fees, costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements have resulted from the negligence or willful misconduct of the indenture trustee. If the trust or the noteholders, as appropriate, fail to make such reimbursement or indemnification, the indenture trustee may reimburse itself from any money in its possession under the indenture, subject, in certain circumstances, only to the prior lien of the notes for the payment of the principal and interest thereon from the Collection Fund.

The trust will agree to indemnify the indenture trustee for, and to hold it harmless against, any loss, liability, damages, claims or expenses incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties in relation to the trust estate. The trust will indemnify and hold harmless the indenture trustee against any and all claims, demands, suits, actions or other proceedings and all liabilities, costs and expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering document distributed in connection with the issuance of the notes or caused by any omission or alleged omission from such offering document of any material fact required to be stated therein or necessary in order to make the statements made therein in the light of the circumstances under which they were made, not misleading. The indenture trustee will not be liable for, and will be held harmless by the trust from, any liability arising from following any orders, instructions or other directions upon which it is authorized to rely under the indenture or other agreement to which it is a party.

Compensation of indenture trustee. The trust will pay to the indenture trustee compensation for all services rendered by it under the indenture, and also all of its reasonable expenses, charges, and other disbursements. If not paid by the trust, the indenture trustee will have a lien on all money held pursuant to the indenture, subject, in certain circumstances, only to the prior lien of the notes for the payment of the principal and interest thereon from the Collection Fund.

Resignation of indenture trustee. The indenture trustee may resign and be discharged by giving the trust notice in writing specifying the date on which the resignation is to take effect. If no successor indenture trustee has been appointed by that date or within 90 days of the trust receiving the indenture trustee's notice, whichever is longer, then the indenture trustee may either (a) appoint a sufficiently qualified temporary successor indenture trustee; or (b) request a court of competent jurisdiction, at the expense of the trust, to either require the trust to appoint a successor indenture trustee within three days of the receipt of citation or notice by the court, or appoint a sufficiently qualified successor indenture trustee itself.

Removal of indenture trustee. The indenture trustee may be removed:

- at any time by the noteholders of a majority of the collective aggregate principal amount of the highest priority notes then outstanding under the indenture;
- by the trust for cause or upon the sale or other disposition of the indenture trustee or its corporate trust functions; or
- by the trust without cause so long as no event of default exists or has existed within the last 30 days, upon payment to the indenture trustee so removed of all money then due to it under the indenture.

In the event an indenture trustee is removed, removal shall not become effective until:

- a successor indenture trustee shall have been appointed as provided in the indenture; and
- the successor indenture trustee has accepted that appointment.

Successor indenture trustee. If the indenture trustee resigns, is dissolved or otherwise is disqualified to act or is incapable of acting, or in case control of the indenture trustee is taken over by any public officer or officers, the trust may appoint a successor indenture trustee. The trust will cause notice of the appointment of a successor

indenture trustee to be mailed to the noteholders at the address of each noteholder appearing on the note registration books.

Every successor indenture trustee:

- will be a bank or trust company in good standing, organized and doing business under the laws of the United States or of a state therein;
- will have a reported capital and surplus of not less than $50,000,000;
- will be authorized under the law to exercise corporate trust powers;
- will be subject to supervision or examination by a federal or state authority; and
- will be an eligible lender under the Higher Education Act so long as such designation is necessary to maintain guarantees and federal benefits under the Higher Education Act with respect to the student loans originated under the Higher Education Act.

Merger of the indenture trustee. Any corporation into which the indenture trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the indenture trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the indenture trustee, shall be the successor of the indenture trustee under the indenture, provided such corporation shall be otherwise qualified and eligible under the indenture, without the execution or filing of any paper or any further act on the part of any other parties thereto.

Supplemental indentures

Supplemental indentures not requiring consent of noteholders. The trust can agree with the indenture trustee to enter into any indentures supplemental to the indenture for any of the following purposes without notice to or the consent of noteholders:

- to cure any ambiguity or formal defect or omission in the indenture;
- to grant to or confer upon the indenture trustee for the benefit of the noteholders any additional benefits, rights, remedies, powers or authorities;
- to subject to the indenture additional revenues, properties or collateral;
- to modify, amend or supplement the indenture or any indenture supplemental thereto in such manner as to permit the qualification under the Trust Indenture Act of 1939 or any similar federal statute or to permit the qualification of the notes for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- to evidence the appointment of a separate or co-indenture trustee or a co-registrar or transfer agent or the succession of a new indenture trustee under the indenture or any additional or substitute guarantee agency, servicer or subservicer;
- to add provisions to or to amend provisions of the indenture as may, in the opinion of counsel, be necessary or desirable to assure implementation of the student loan business in conformance with the Higher Education Act (if accompanied by the required opinion of counsel relating to such addition or amendment);

- to make any change as shall be necessary in order to obtain and maintain for any of the notes an investment grade rating from a nationally recognized rating service, which changes, in the opinion of the indenture trustee, will not materially adversely impact the noteholders of any notes outstanding under the indenture;

- to make any changes necessary to comply with or obtain more favorable treatment under any law, rule or regulation, including but not limited to the Higher Education Act and the regulations thereunder or the Code and the regulations promulgated thereunder;

- to create any additional funds or accounts under the indenture deemed by the indenture trustee to be necessary or desirable; or

- to make any other change which, in the judgment of the indenture trustee, will not materially adversely impact the noteholders of any notes outstanding under the indenture.

In making opinions or judgments as described above, the indenture trustee is entitled to receive and may conclusively rely upon legal opinions and certificates.

Supplemental indentures requiring consent of noteholders. Any amendment of the indenture by the trust and the indenture trustee other than those listed above must be approved by the noteholders of not less than a majority of the collective aggregate principal amount of the notes then outstanding under the indenture, provided that the changes described below may be made in a supplemental indenture only with the consent of the noteholders of each affected note then outstanding:

- an extension of the maturity date of the principal of or the interest on any note;

- a reduction in the principal amount of any note or the rate of interest thereon;

- a privilege or priority of any note over any other note except as provided in the indenture;

- a reduction in the aggregate principal amount of the notes required for consent to such supplemental indenture; or

- the creation of any lien other than a lien ratably securing all of the notes at any time outstanding under the indenture.

In addition, any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the indenture trustee require the prior written approval of the indenture trustee. In addition, any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Delaware trustee require the prior written approval of the Delaware trustee.

Trust irrevocable

The trust created by the indenture is irrevocable until the notes and interest thereon are fully paid or provision is made for their payment as provided in the indenture.

Satisfaction of indenture

If the noteholders are paid or caused to be paid all the principal of and interest due on their notes at the times and in the manner stipulated in the indenture and all other obligations due and outstanding under the indenture are paid or caused to be paid, then the pledge of the trust estate will thereupon terminate and be discharged. The indenture trustee will execute and deliver to the trust instruments to evidence the discharge and satisfaction, and the indenture trustee will pay over or deliver all money held by it under the indenture to the party entitled to receive it under the indenture.

As set forth in the indenture, notes will be considered to have been paid if money for their payment or redemption has been set aside and is being held in trust by the indenture trustee. Any outstanding note will be considered to have been paid if the note is to be redeemed on any date prior to its stated maturity and notice of redemption has been given as provided in the indenture and on said date there shall have been deposited with the indenture trustee either money or governmental obligations the principal of and the interest on which when due will provide money sufficient to pay the principal of and interest to become due on the note.

CREDIT ENHANCEMENT

Credit enhancement for the Class A notes will include overcollateralization, excess spread and cash on deposit in the Capitalized Interest Fund and the Reserve Fund and the subordination of the Class B notes. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CLASS A NOTES" herein. The Capitalized Interest Fund and the Reserve Fund are intended to enhance the likelihood of timely distributions of interest to the Class A noteholders and to decrease the likelihood that the Class A noteholders will experience losses. Credit enhancement will not provide protection against all risks of loss and may not guarantee payment to Class A noteholders of all amounts to which they are entitled. If losses or shortfalls occur that exceed the amount covered by the credit enhancement or that are not covered by the credit enhancement, Class A noteholders will bear their allocable share of deficiencies.

The Class B notes are subordinate notes. The rights of the Class B noteholders to receive payments of interest and principal are subordinated to the rights of the Class A noteholders to receive payments of interest and principal. This subordination is intended to enhance the likelihood of regular receipt by the Class A noteholders of the full amount of the payments of interest and principal due to them and to protect the Class A noteholders against losses.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

Federal Tax Disclaimer

To the extent that this Offering Memorandum is construed to provide federal income tax advice, this Offering Memorandum is not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This Offering Memorandum has been written to support the promotion or marketing of the securities offered hereby. A taxpayer considering an investment in such securities should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Chapman and Cutler LLP does not and will not impose any limitation on disclosure of the tax treatment or tax structure of the matter that is the subject of its opinion.

Certain Federal Income Tax Consequences

The following is a summary of the principal federal income tax consequences resulting from the ownership of a Class A note by certain persons. This summary does not consider all the possible Federal tax consequences of the purchase, ownership or disposition of a Class A note and is not intended to reflect the individual tax position of any owner. Moreover, except as expressly indicated, it addresses initial purchasers of a Class A note that (a) purchase at a price equal to the first price to the public at which a substantial amount of the Class A notes are sold; and (b) who hold a Class A note as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended. This summary does not address owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Class A notes (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Class A note and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar. Except to the extent discussed under the caption "Non-United States Holders" below this summary is not applicable to non-United States persons not subject to federal income tax on their worldwide income. This summary is based upon the United States federal tax laws and regulations currently in effect and as currently interpreted and does not take into account

possible changes in the tax laws or its interpretations, any of which may be applied retroactively. It does not discuss the tax laws of any state, local or foreign governments.

Persons considering the purchase of a Class A note should consult their own tax advisors concerning the Federal income tax consequences to them in light of their particular situations as well as any consequences to them under the laws of any other taxing jurisdiction.

United States Holders

Characterization of the Class A notes as Indebtedness. In the opinion of Chapman and Cutler LLP, based upon certain assumptions and certain representations made by the trust, the Class A notes will be treated as debt for federal income tax purposes. However, the trust does not intend to obtain a ruling from the Internal Revenue Service in this regard and unlike a ruling from the Internal Revenue Service, the opinion of Chapman and Cutler LLP is not binding on the courts or the Internal Revenue Service. Thus, it is possible that the Internal Revenue Service could successfully assert, on audit or in court, that, for purposes of the Internal Revenue Code, the transaction contemplated by this Offering Memorandum constitutes a sale of the assets comprising the trust estate (or an equity interest therein) to the Class A noteholders and that the resulting relationship is that of a partnership, or an association taxable as a corporation.

If, instead of treating the Class A notes as debt, the transaction were treated as creating a partnership among the holders of the Class A notes and the other interest holders in the trust, which partnership has purchased the underlying trust estate assets, that partnership would not be subject to federal income tax, unless such partnership were treated as a publicly traded partnership taxable as a corporation. Rather, each interest holder in the trust and each holder of a Class A note would be taxed individually on their respective distributive shares of the partnership's income, gain, loss, deductions and credits. The amount and timing of items of income and deduction of the holder of a Class A note may differ if the Class A notes were held to constitute partnership interests, rather than indebtedness.

If, alternatively, it were determined that this transaction created a publicly traded partnership taxable as a corporation, such entity would be subject to federal income tax at corporate income tax rates on the income it derives from any collections on or sale of the financed eligible loans and other assets, which would reduce the amounts available for payment to the holders of the Class A notes. And if the Class A Notes were characterized as stock or equity in such entity, cash payments to the holders of the Class A notes generally would be treated as dividends for tax purposes to the extent of such corporation's earnings and profits.

In general, the characterization of a transaction as a sale of property, for federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction, rather than its form or the manner in which it is characterized. While the Internal Revenue Service and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or an issuance of debt secured by the property in question, the primary factors in making this determination are whether there is a reasonable expectation of a payment of the advance and whether the party making the advance has assumed the risk of loss or other economic burdens relating to the property from which payment is expected and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form.

The trust believes that it has a reasonable expectation that the Class A notes will be repaid in accordance with their terms and that it has retained the preponderance of the primary benefits and burdens associated with the financed eligible loans and other assets comprising the trust estate and should therefore be treated as the owner of such assets for federal income tax purposes. If, however, the Internal Revenue Service were to successfully assert that this transaction should be treated as a sale of the trust estate assets, rather than a financing, the Internal Revenue Service could further assert that the entity created pursuant to the indenture, as the owner of the trust estate for federal income tax purposes, should be deemed engaged in a business and, therefore, characterized as an association taxable as a corporation or a publicly traded partnership taxable as a corporation.

As noted above, the trust has been advised that the Class A notes will be treated as debt for federal income tax purposes and not as an equity interest in the trust or the trust estate. The trust also expresses in the indenture its intent that, for applicable tax purposes, the Class A notes and Class B notes be treated as indebtedness of the trust secured by the trust estate. The trust and the holders of the Class A notes and Class B notes, by accepting the such notes, have agreed to treat their notes as indebtedness of the trust for all income tax purposes. In addition, the trust has imposed transfer restrictions on the Class B Notes and on the equity owner of the trust designed to limit the liklihood that the trust could ever be classified as a publicly traded partnership. As a result, the trust intends to treat itself as an entity that is not subject to entity to level tax and this transaction as a financing with the Class A notes and Class B notes constituting its indebtedness for tax and financial accounting purposes rather than a sale of the trust estate for such purposes.

Payments of Interest. In general, interest on a Class A note will be taxable to an owner who or which is (a) a citizen or resident of the United States; (b) a corporation created or organized under the laws of the United States or any State (including the District of Columbia); or (c) a person otherwise subject to federal income taxation on its worldwide income (a "United States holder") as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. If a partnership holds Class A notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding Class A notes should consult their tax advisors.

It is expected that all or a substantial portion of the Class A notes will be sold to the public at an initial price that is within the deminimis rule for original issue discount. In addition, although the matter is not entirely free from doubt, it is anticipated that the Class A notes will be treated as bearing stated interest at a "qualified floating rate," as this term is defined by applicable Treasury regulations. Accordingly, the Class A Notes should be treated as having been issued without original issue discount. The trust intends to report interest income in respect of the Class A notes in a manner consistent with this treatment. If it were to be determined that the Class A notes were issued at price constituting more than a deminimis discount or that they do not provide for stated interest at a qualified floating rate, the Class A notes would be treated as having been issued with original issue discount. In that event, the holder of a Class A note would be required to include original issue discount in gross income as it accrues on a constant yield to maturity basis in advance of the receipt of any cash attributable to the income, regardless of whether the holder is a cash or accrual basis taxpayer. The trust anticipates, however, that even if the Class A notes were treated as issued with original issue discount under these circumstances, the amount which a holder of a Class A note would be required to include in income currently under this method would not differ materially from the amount of interest on the Class A notes otherwise includable in income.

Class A Note Purchased at a Market Discount. A Class A note, whether or not issued with original issue discount, will be subject to the "market discount rules." In general, market discount is the excess of the stated redemption price at maturity of a Class A note less the holder's basis in a Class A note. Thus, market discount generally will occur where a holder acquires a Class A note for an amount that is less than the Class A note's issue price (or revised issue price if a Class A note is treated as being issued with an original issue discount), unless such difference is less than a specified *de minimis* amount.

In general, any partial payment of principal or any gain recognized on the maturity or disposition of a market discount note will be treated as ordinary income to the extent that such gain or payments of principal do not exceed the accrued market discount on such note. Alternatively, a United States holder of a market discount note may elect to include market discount in income currently over the life of the market discount note. That election applies to all debt instruments with market discount acquired by the electing United States holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

Market discount accrues on a straight-line basis unless the United States holder elects to accrue such discount on a constant yield to maturity basis. That election is applicable only to the market discount note with respect to which it is made and is irrevocable. A United States holder of a market discount note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the note in an amount not exceeding the accrued market discount on such note until the maturity or disposition of the note.

Purchase, Sale, Exchange and Retirement of the Class A notes. A United States holder's tax basis in a Class A note generally will equal its cost, increased by any market discount and original issue discount included in the United States holder's income with respect to the Class A note. A United States holder generally will recognize gain or loss on the sale, exchange or retirement of a Class A note equal to the difference between the amount realized on the sale or retirement and the United States holder's tax basis in the Class A note. Except to the extent described under the caption "Class A note purchased at a Market Discount" above, as described below in regard to contingent payment debt instruments denominated in non-U.S. currency, and except to the extent attributable to accrued but unpaid interest, gain or loss recognized on the sale, exchange or retirement of a Class A note will be capital gain or loss (based upon the assumption of this discussion that such Class A notes are held as capital assets) and will be long-term capital gain or loss if the Class A note was held for more than one year. In the event that the Class A note were treated as issued with original issue discount as a result of the carry-over amounts, as discussed under the caption "Payments of Interest" above, a portion of this gain attributable to interest accrued under the original issue discount rules may be recharacterized as ordinary gain or if instead of a gain a loss occurred, a portion of the loss attributable to interest accrued under the original issue discount rules may be recharacterized as ordinary loss.

Non-United States Holders

The following is a general discussion of certain United States federal income and estate tax consequences resulting from the beneficial ownership of Class A notes by a person other than a United States holder or a former United States citizen or resident (a "non-United States holder").

Subject to the discussions of carry-over amounts and backup withholding below, payments of principal and interest by the trust or any of its agents (acting in its capacity as agent) to any non-United States holder will not be subject to United States Federal withholding tax, provided, in the case of interest, that (a) the non-United States holder is not, among other things, a controlled foreign corporation for United States tax purposes that is related to the trust (directly or indirectly) through stock ownership and (b) in general, either (i) the non-United States holder certifies to the Trust or its agent under penalties of perjury that it is not a United States person and provides, among other things, its name and address or (ii) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Class A notes certifies to the trust or its agent under penalties of perjury that such statement has been received from the non-United States holder by it or by another financial institution and furnishes the payor with a copy.

A non-United States holder that does not qualify for exemption from withholding as described above generally will be subject to United States Federal withholding tax at the rate of 30% (or lower applicable treaty rate) with respect to payments of interest on the Class A notes. To qualify for a lower treaty rate, a non-United States holder must provide us with a properly executed U.S. Form W-8BEN, including such holder's U.S. taxpayer identification number.

If a non-United States holder is engaged in a trade or business in the United States and interest on the Class A notes is effectively connected with the conduct of such trade or business, the non-United States holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States Federal income tax on such interest in the same manner as if it were a United States holder. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States Federal withholding tax. In addition, if the non-United States holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Class A note will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States.

Any capital gain or market discount realized on the sale, exchange, retirement or other disposition of a Class A note by a non-United States holder will not be subject to United States Federal income or withholding taxes if (a) the gain is not effectively connected with a United States trade or business of the non-United States holder and (b) in the case of an individual, the non-United States holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

Class A notes held by an individual who is neither a citizen nor a resident of the United States for United States Federal tax purposes at the time of the individual's death will not be subject to United States Federal estate tax, provided that the income from the Class A note was not or would not have been effectively connected with a United States trade or business of the individual and that the individual qualified for the exemption from United States Federal withholding tax (without regard to the certification requirements) described above.

Treasury regulations also provide alternative procedures to be followed by a non-United States holder in establishing eligibility for a withholding tax reduction or exemption.

Purchasers of Class A notes that are non-United States holders should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes upon income realized in respect of the Class A notes.

Information Reporting and Back-up Withholding

For each calendar year in which the Class A notes are outstanding, the trust is required to provide the Internal Revenue Service with certain information, including the holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain United States holders, including corporations, tax-exempt organizations and individual retirement accounts.

If a United States holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under reports its tax liability, the trust, its agents or paying agents or a broker may be required to "backup" withhold a tax currently equal to 28% of each payment of interest and any premium on the Class A notes. This backup withholding is not an additional tax and may be credited against the United States holder's Federal income tax liability, provided that the holder furnishes the required information to the Internal Revenue Service.

Under current Treasury regulations, backup withholding and information reporting will not apply to payments of interest made by the trust or any of its agents (in their capacity as such) to a non-United States holder of a Class A note if the holder has provided the required certification that it is not a United States person as set forth in clause (b) in the second paragraph under the caption "Non-United States Holders" above, or has otherwise established an exemption (provided that neither the trust nor its agent has actual knowledge that the holder is a United States person or that the conditions of an exemption are not in fact satisfied).

In general, payments of the proceeds from the sale of a Class A note to or through a foreign office of a broker will not be subject to information reporting or backup withholding. However, information reporting may apply to those payments if the broker is one of the following:

(a) a United States person;

(b) a controlled foreign corporation for United States tax purposes;

(c) a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or

(d) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Class A note to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner otherwise establishes an exemption from information reporting and backup withholding.

Treasury regulations also provide presumptions under which a non-United States holder is subject to information reporting and backup withholding unless the trust or its agent receives certification from the holder regarding non-United States status.

Foreign Account Compliance

In addition to the rules described above regarding the potential imposition of U.S. withholding taxes on payments to non-U.S. persons, withholding taxes could also be imposed under the new FATCA ("Foreign Account Tax Compliance Act" or "FATCA") regime. FATCA was enacted in the United States in 2010 as part of the "Hiring Incentives to Restore Employment (HIRE) Act" as a way to encourage tax reporting and compliance with respect to ownership by U.S. persons of assets through foreign accounts. Under FATCA, foreign financial institutions (defined broadly to include hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) must comply with new information gathering and reporting rules with respect to their U.S. account holders and investors and may be required to enter into agreements with the IRS pursuant to which such foreign financial institutions must gather and report certain information to the IRS and withhold U.S. tax from certain payments made by it. The FATCA provisions apply generally to debt instruments issued after March 18, 2012; however, the IRS has issued proposed regulations that, if finalized, would "grandfather" any debt instrument that is outstanding on January 1, 2013. Foreign financial institutions that fail to comply with the FATCA requirements will be subject to a new 30% withholding tax on U.S. source payments made to them after December 31, 2013, including interest, OID and (for payments after December 31, 2014) gross proceeds from the sale of any equity or debt instruments of U.S. issuers. Payments of interest to foreign non-financial entities after December 31, 2013 will also be subject to a withholding tax of 30% if the entity does not certify that it does not have any substantial U.S. owner or provide the name, address and TIN of each substantial U.S. owner. The new FATCA withholding tax will apply regardless of whether the payment would otherwise be exempt from U.S. nonresident withholding tax (e.g., under the portfolio interest exemption or as capital gain) and regardless of whether the foreign financial institution is the beneficial owner of such payment.

The Federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Class A notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in Federal or other tax laws.

STATE TAX CONSIDERATIONS

In addition to the federal income tax consequences described in "UNITED STATES FEDERAL INCOME TAX CONSEQUENCES," potential investors should consider the state income tax consequences of the acquisition, ownership and disposition of the Class A notes. State income tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Class A notes.

ERISA CONSIDERATIONS

To the extent that this offering memorandum provides federal income tax advice, this offering memorandum is not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This Offering Memorandum is being used to support the promotion or marketing of the transaction described herein. The taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Chapman and Cutler LLP does not and will not impose any limitation on disclosure of the tax treatment or tax structure of the matter that is the subject of its opinion.

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA ("ERISA

Plans"). Section 4975 of the Internal Revenue Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) of the Internal Revenue Code ("Qualified Retirement Plans") and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Internal Revenue Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Internal Revenue Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA's fiduciary and prohibited transaction standards. Accordingly, assets of such plans may be invested in Class A notes without regard to the ERISA considerations described below, subject to the provisions of applicable federal and state law. Any such plan which is a Qualified Retirement Plan and exempt from taxation under Sections 401(a) and 501(a) of the Internal Revenue Code, however, is subject to the prohibited transaction rules set forth in the applicable provisions of the Internal Revenue Code. In addition, benefit plans which are established and administered outside the U.S. may be subject to legal restrictions which may affect those plans' ability to acquire Class A notes or the appropriateness of such an acquisition.

In addition to the imposition of general fiduciary requirements, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Internal Revenue Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and persons who have certain specified relationships to the Benefit Plans ("Parties in Interest" as defined in ERISA § 3(14) or "Disqualified Persons" as defined in Code § 4975(e)(2)), unless a statutory or administrative exemption is available. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Internal Revenue Code) unless a statutory or administrative exemption is available.

Certain transactions involving the purchase, holding or transfer of Class A notes might be deemed to constitute prohibited transactions under ERISA and the Internal Revenue Code if assets of the Trust were deemed to be assets of a Benefit Plan. Under a regulation issued by the United States Department of Labor (the "Plan Assets Regulation"), as modified by Section 3(42) of ERISA, the assets of the trust would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Internal Revenue Code only if the Benefit Plan acquires an "equity interest" in the trust and none of the exceptions contained in the Plan Assets Regulation or statute is applicable. An equity interest is defined under the Plan Assets Regulation or statute as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Class A notes should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation.

However, without regard to whether the Class A notes are treated as an equity interest for such purposes, the acquisition or holding of Class A notes by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Trust or the indenture trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. In such case, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Class A note. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by "in-house asset managers;" PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts;" PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding transactions effected by "qualified professional assets managers;" and Section 408(b)(17) of ERISA regarding transactions involving certain service providers. Each purchaser and each transferee of a Class A note shall be deemed to represent and warrant that either (a) it is not a Benefit Plan or (b) its purchase and holding of the Class A notes will not result in a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a government plan or non-U.S. plan, any substantially similar applicable law).

Any plan fiduciary considering whether to purchase Class A notes of a series on behalf of a plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, the Internal Revenue Code and any other applicable laws to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored

Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Internal Revenue Code and the fiduciary standards and other legal standards mandated by applicable law.

REPORTS TO NOTEHOLDERS

Monthly reports concerning NorthStar Student Loan Trust I will be posted by the indenture trustee at www.usbank.com/abs or at such other address as the indenture trustee provides from time to time. In connection with providing access to the indenture trustee's Internet website, the indenture trustee may require registration and the acceptance of a disclaimer. These periodic reports will contain information concerning the student loans in the trust and certain activities of the trust during the period since the previous report, such as:

- descriptions of portfolio characteristics;
- identification of remaining note balances;
- descriptions of amounts of the distribution allocable to principal and interest of each class of notes;
- changes in pool balance over the distribution period;
- fees paid by the trust; and
- limited descriptions of activity in the Capitalized Interest Fund, Reserve Fund, Trustee Expense Reserve Fund, Collection Fund and Acquisition Fund.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "intend," "potential," and the negative of such terms or other similar expressions.

The forward-looking statements reflect our current expectations and views about future events. The forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on the forward-looking statements.

You should understand that the following factors, among other things, could cause our results to differ materially from those expressed in forward-looking statements:

- changes in terms of student loans and the educational credit marketplace arising from the implementation of applicable laws and regulations and from changes in these laws and regulations that may reduce the volume, average term, costs and yields on education loans under the Federal Family Education Loan Program;
- changes in the demand for educational financing or in financing preferences of educational institutions, students and their families, which could affect an issuing entity's ability to purchase eligible student loans;
- changes in the general interest rate environment and in the securitization market for student loans, which may increase the costs or limit the marketability of financings;
- losses from loan defaults; and

- changes in prepayment rates and credit spreads.

We discuss many of these risks and uncertainties in greater detail under the caption "RISK FACTORS" herein.

You should read this Offering Memorandum and the documents that we reference in this Offering Memorandum, completely and with the understanding that our actual future results may be materially different from what we expect. We may not update the forward-looking statements, even though our situation may change in the future, unless we have obligations under the federal securities laws to update and disclose material developments related to previously disclosed information. We qualify all of the forward-looking statements by these cautionary statements.

RELATIONSHIPS AMONG FINANCING PARTICIPANTS

The depositor, a wholly-owned subsidiary of NEF, will transfer all of the FFELP student loans securing the notes pursuant to the FFELP student loan sale and residual interest contribution agreement. The transferor and the sponsor currently own all of the student loans to be transferred to the trust.

An affiliate of RBC Capital Markets, LLC, the initial purchaser of the Class A notes, is a warehouse lender to an affiliate of the sponsor which will be selling a substantial amount of the student loans being acquired by the trust with proceeds of the Class A notes. As a result, affiliates of RBC Capital Markets, LLC have material economic interests in the outcome of the issuance of the Class A notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the note purchase agreement among the sponsor, the trust and the initial purchaser, the sponsor will agree to cause the trust to sell to the initial purchaser, and the initial purchaser will agree to purchase from the trust, the Class A notes. The initial purchaser will use commercially reasonable efforts to find buyers for all of the Class A notes, but is not obligated to purchase any of the Class A notes. If the initial purchaser is not able to locate sufficient buyers for all of the Class A notes and does not elect to purchase the Class A notes themselves, then none of the Class A notes will be sold.

The sponsor will pay fees to the initial purchaser in an aggregate amount equal to 0.475% of the principal balance of the Class A notes. The sponsor also will pay all of the other costs of issuance of the notes. Assuming a successful placement of all of the Class A notes by the initial purchaser on the closing date, the proceeds to the issuer from the sale of the Class A notes are expected to be $674,600,000.

The initial offering prices are set forth on the cover page of this Offering Memorandum. After the Class A notes are released for sale, the initial purchaser may change the offering prices and other selling terms. The offering of the Class A notes by the initial purchaser is subject to receipt and acceptance and subject to the initial purchaser's right to reject any order in whole or in part.

The Class A notes are a new class of securities with no established trading market. The initial purchaser has advised that it presently intends to make a market in the Class A notes. However, it is not obligated to do so and may discontinue any market-making activities with respect to the Class A notes at any time without notice. We cannot assure you that the prices at which the Class A notes will sell in the market after this offering will not be lower or higher than the initial offering price or that an active trading market for the Class A notes will develop and continue after this offering.

In connection with the offering, the initial purchaser may purchase and sell Class A notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the initial purchaser of a greater number of Class A notes than it is required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Class A notes while the offering is in progress.

The note purchase agreement provides that the sponsor will indemnify the initial purchaser against certain civil liabilities, including liabilities under the Securities Act of 1933.

NOTICE TO INVESTORS

The following information relates to the form, transfer and delivery of the Class A notes. Because of the following restrictions, potential Class A noteholders are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Class A notes.

The Class A notes have not been and will not be registered under the Securities Act nor with any securities regulatory authority of any state or other jurisdiction within the United States. Accordingly, the Class A notes are being offered only to qualified institutional buyers (within the meaning of Rule 144A promulgated under the Securities Act).

Each Class A noteholder will be deemed to have represented and agreed, that:

(a) in connection with its acquisition of the Class A notes, (1) none of the trust, the indenture trustee, or any of their respective affiliates is acting as a fiduciary or financial or investment advisor for such beneficial owner; (2) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the trust, the indenture trustee or any of their respective affiliates other than any statements in this Offering Memorandum relating to the Class A notes, and such beneficial owner has read and understands this Offering Memorandum; (3) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decision (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the trust, the indenture trustee or any of their respective affiliates; and (4) the purchaser is a qualified institutional buyer (a "QIB") as defined in Rule 144A under the Securities Act, is aware (and if it is acquiring the Class A notes for the account of one or more QIBs, each beneficial owner of the Class A notes is aware) that the trust is relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A, that it is acquiring the Class A notes for its own account or for the account of one or more QIBs for whom it is authorized to act, in either case for investment purposes and not for distribution in violation of the Securities Act, that it is able to bear the economic risk of an investment in the Class A notes and that the purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Class A notes;

(b) the Class A noteholder understands that the Class A notes are being offered only in a transaction that does not require registration under the Securities Act and, if such Class A noteholder decides to resell or otherwise transfer such Class A notes, then it agrees that it will resell or transfer such Class A notes only so long as such Class A notes are eligible for resale pursuant to Rule 144A, to a person whom the seller reasonably believes is a QIB acquiring the Class A notes for its own account or as a fiduciary or agent for others (which others must also be QIBs) to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A and in accordance with any applicable United States state securities laws or other applicable securities laws of the relevant jurisdiction;

(c) unless the relevant legend set out below has been removed from the Class A notes, such noteholder shall notify each transferee of the Class A notes of the deemed representations set out above and that such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

(d) (1) the Class A noteholder is not an employee benefit plan or other retirement arrangement ("Plan") or (2) the acquisition or purchase by a Plan of an offered Class A note will not constitute or otherwise result in: (A) in the case of a Plan subject to Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the Internal Revenue Code of 1986, as amended ("Code"), a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code which is not covered by a class or other applicable exemption and (B) in the case of a Plan subject to a substantially similar federal, state, local or foreign law ("Similar Law"), a non-exempt violation of such substantially Similar Law;

(e) the Class A noteholder understands that each certificate representing an interest in the Class A notes will bear the following legend, unless determined otherwise in accordance with applicable law:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES OR BLUE SKY LAW OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (A) PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB"), PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (B) PURSUANT TO ANOTHER EXEMPTION AVAILABLE UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (C) PURSUANT TO A VALID REGISTRATION STATEMENT.

(f) any and all liability that may result if any transfer of such Class A note is not made in a manner consistent with the applicable restrictive legend set forth above.

Upon the transfer, exchange or replacement of a Global Note bearing the applicable legend set forth above, or upon specific request for removal of the legends, the trust or the indenture trustee will deliver only a replacement Global Note that bears such applicable legends, or will refuse to remove such applicable legends, unless there is delivered to the trust and the indenture trustee such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the trust and the indenture trustee that neither the applicable legends nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and other applicable law.

Because of the foregoing restrictions, purchasers are advised to consult legal counsel prior to making any resale, pledge or transfer of any of the Class A notes. Class A noteholders should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

LEGAL MATTERS

Certain legal matters, including certain income tax matters, will be passed upon for NorthStar Student Loan Trust I by Chapman and Cutler LLP, and its Delaware counsel, Richards, Layton and Finger, P.A. Certain legal matters will be passed upon for the initial purchaser by Kutak Rock LLP.

RATINGS

It is a condition to the issuance of the Class A notes that they receive the ratings described under the caption "SUMMARY OF TERMS—Rating of the Class A Notes" herein.

A securities rating addresses the likelihood of the receipt by owners of the Class A notes of payments of principal and interest with respect to their Class A notes from assets in the trust estate. The rating takes into consideration the characteristics of the student loans, and the structural, legal and tax aspects associated with the rated Class A notes. On a monthly basis each agency rating the Class A notes is provided with servicing reports describing the performance of the underlying assets in the prior period.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization.

GLOSSARY OF TERMS

Some of the terms used in this Offering Memorandum are defined below. The indenture contains the definition of other terms used in this Offering Memorandum and reference is made to the indenture for those definitions.

"*Book-Entry Form*" or "*Book-Entry System*" means a form or system under which (a) the beneficial right to principal and interest may be transferred only through a book-entry; (b) physical securities in registered form are issued only to a securities depository or its nominee as registered owner, with the securities "immobilized" to the custody of the securities depository; and (c) the book-entry is the record that identifies the owners of beneficial interests in that principal and interest.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including applicable temporary and proposed regulations, relating to such section which are applicable to the Class A notes or the use of the proceeds thereof. A reference to any specific section of the Code shall be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code thereunder from time to time.

"Fitch" means Fitch Inc., its successors and assigns.

"*Funds*" means the funds created under the indenture and held by the indenture trustee, including the Acquisition Fund, the Collection Fund, the Capitalized Interest Fund, the Department Rebate Fund, the Reserve Fund and the Trustee Expense Reserve Fund.

"*Guarantee*" or "*Guaranteed*" means, with respect to a student loan, the insurance or guarantee by the guarantee agency pursuant to such guarantee agency's guarantee agreement of the maximum percentage of the principal of and accrued interest on such student loan allowed by the terms of the Higher Education Act with respect to such student loan at the time it was originated and the coverage of such student loan by the federal reimbursement contracts, providing, among other things, for reimbursement to the guarantee agency for payments made by it on defaulted student loans insured or guaranteed by the guarantee agency of at least the minimum reimbursement allowed by the Higher Education Act with respect to a particular student loan.

"*Guarantee Agreements*" means a guarantee or lender agreement between the indenture trustee or the eligible lender trustee and any guarantee agency, and any amendments thereto.

"*Guarantee Agency*" means any entity authorized to guarantee student loans under the Higher Education Act and with which the indenture trustee or the eligible lender trustee maintains a guarantee agreement.

"*Higher Education Act*" means the Higher Education Act of 1965, as amended or supplemented from time to time, or any successor federal act and all regulations, directives, bulletins and guidelines promulgated from time to time thereunder.

"*Highest Priority Notes*" means at any time when Class A notes are outstanding, the Class A notes, and at any time when no Class A notes are outstanding, the Class B notes.

"*Indenture*" means the indenture of trust between NorthStar Student Loan Trust I and U.S. Bank National Association, as indenture trustee and as eligible lender trustee, including all supplements and amendments thereto.

"*Proposed Action*" means any proposed action, failure to act or other event which, under the terms of the Indenture, is conditional upon a Rating Notification.

"*Rating Notification*" means, with respect to a Proposed Action, that the trust shall have given written notice of such Proposed Action to each Rating Agency at least 20 Business Days prior to the proposed effective date thereof.

"*S&P*" means Standard and Poor's Financial Services, LLC, a subsidiary of The McGraw Hill Companies, Inc., its successors and assigns.

"*Securities Depository*" means DTC and its successors and assigns, or, if (a) a then-existing Securities Depository resigns from its functions as depository of the Class A notes; or (b) the trust discontinues use of a Securities Depository pursuant to the indenture, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Class A notes and which is selected by the trust with the consent of the indenture trustee. The initial Securities Depository for the Class A notes, shall be DTC and the nominee for such Securities Depository shall be "Cede & Co."

"*Treasury Bill Rate*" means the bond equivalent yield for auctions of 91-day United States Treasury Bills on the first day of each calendar week on which the United States Treasury auctions 91 day Treasury Bills, which currently is the United States Treasury's first business day of each week.

APPENDIX A

WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES FOR THE CLASS A NOTES

Prepayments on pools of student loans can be measured or calculated based on a variety of prepayment models. The model used to calculate prepayments is the constant prepayment rate (or "CPR") model.

The CPR model is based on prepayments assumed to occur at a flat, constant percentage rate. CPR is stated as an annualized rate and is calculated as the percentage of the loan amount outstanding at the beginning of a period, after applying scheduled payments, that are paid during the period. The CPR model assumes that student loans will prepay in each month according to the following formula:

$$\textit{Monthly Prepayments} = (\textit{Principal Balance after scheduled payments}) \times (1-(1-CPR)^{1/12})$$

Accordingly, monthly payment, assuming a $1,000 balance after scheduled payments would be as follows:

	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
Monthly Prepayment	$0.00	$1.68	$3.40	$5.14	$6.92

The CPR model does not purport to describe historical prepayment experience or to predict the prepayment rate of any actual student loan pool. The student loans will not prepay according to the CPR, nor will all of the student loans prepay at the same rate. Potential investors must make an independent decision regarding the appropriate principal prepayment scenarios to use in making any investment decision.

Cash Flow Assumptions for Structuring Runs

The tables below have been prepared based on the assumptions described below (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of financed student loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the financed student loans could produce slower or faster principal payments than implied by the information in these tables, even if the dispersion of weighted average characteristics, remaining terms and loan ages are the same as the characteristics, remaining terms and loan ages assumed. Different assumptions will have a material impact on the information presented in this Appendix, and investors should make an independent assessment of the assumptions used herein.

For the purposes of calculating the information presented in the tables in this Appendix A, it is assumed, among other things, that:

- the statistical cut-off date for modeling the financed student loans is August 31, 2012. Accruals on such financed student loans will commence on October 25, 2012;
- the Date of Issuance is October 25, 2012;
- the financed student loans have an initial principal balance at issuance of approximately $665,540,088, an approximately additional $22,123,316 of accrued interest expected to be capitalized on or after the date of issuance of the notes, and an approximately additional $6,956,738 of accrued interest not to be capitalized;
- all financed student loans (as grouped in the "rep lines" described below) remain in their current status until their status end date and then move to repayment, with the exception of in-school status loans which have a

6-month grace period before moving to repayment; no financed student loans moves from repayment to any other status;

- the financed student loans that are (i) unsubsidized Stafford loans not in repayment status, (ii) subsidized Stafford loans in forbearance status, (iii) PLUS loans not in repayment status, (iv) unsubsidized Consolidation loans not in repayment status or (v) subsidized Consolidation loans in forbearance status, have interest accrued and capitalized upon entering repayment;

- the financed student loans that are subsidized Stafford loans or subsidized Consolidation loans and are in-school, grace or deferment status have interest paid (Interest Subsidy Payments) by the U.S. Department of Education quarterly, based on a quarterly calendar accrual period;

- there are government payment delays of 60 days for Interest Subsidy Payments and Special Allowance Payments;

- no delinquencies or additional defaults occur on any of the financed student loans, no repurchases occur, and all borrower payments are collected in full;

- index levels for calculation of borrower and government payments are:

    - 91-day Treasury bill bond equivalent rate of 0.10%;

    - One-month LIBOR rate of 0.22%;

- monthly distributions begin on December 25, 2012, and are made monthly on the 25th day of every month thereafter, whether or not the 25th is a business day;

- the initial par amount of the Class A notes and the interest rate for the Class A notes at all times will equal: $674,600,000 and 0.92%;

- interest accrues on the notes on an actual/360 day count basis;

- a conversion of servicing to a backup servicer does not occur, and the servicing portion of the Administration and Servicing Fees to be paid monthly on the each monthly distribution date, beginning November 25, 2012, is equal to 1/12th of 0.50% of the Pool Balance as of the end of the preceding month;

- a Trustee Fee equal to 0.0075% per annum of the aggregate outstanding principal amount of the Class A notes payable in advance monthly beginning December 25, 2012, with a $20,000 per annum minimum;

- Extraordinary Trustee Expenses of $50,000 per annum payable monthly beginning December 25, 2012;

- Program Surveillance Fees of $25,000 per annum payable annually beginning December 25, 2012. Beginning on December 25, 2013, this fee is assumed to be inflated at 3% per annum;

- Other Program Fees of $5,250 per annum payable annually beginning December 25, 2012. Beginning on December 25, 2013, this fee is assumed to be inflated at 3% per annum;

- a Consolidation Loan rebate fee equal to 1.05% per annum of the outstanding principal balance of the financed student loans that are Consolidation loans is paid monthly by the trust to the Department of Education and no payment delays are assumed;

- the Reserve Fund has an initial balance equal to approximately $1,686,500 and at all times a balance equal to the greater of (i) 0.25% of the outstanding principal amount of the Class A notes and (ii) $1,011,900;

- receipts received on the 1st of any month are assumed to be available for distribution on the immediately succeeding distribution date;
- prepayments on the financed student loans are applied monthly in accordance with CPR, as described above;
- no borrower benefit interest rate reduction and no additional interest rate reductions or other borrower benefits are applied;
- no optional redemption from a sale of financed student loans occurs;
- there is no initial balance in the Collection Fund;
- amounts on deposit in the Reserve Fund are used to pay any remaining Class A notes when such amounts, together with other available funds under the indenture, are sufficient to pay the Class A notes in full.
- no other purchases or originations of student loans;
- no excess cash will be released; and
- the initial pool of financed student loans was grouped into 218 representative loans ("rep lines"), which have been created, for modeling purposes, from individual financed student loans based on combinations of similar individual financed student loans characteristics, which include, but are not limited to, interest rate, loan type, SAP index and applicable margin, repayment status and remaining term.

The tables below have been prepared based on the assumptions described above (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of financed student loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the financed student loans could produce slower or faster principal payments than implied by the information in these tables, even if the dispersions of weighted average characteristics, remaining terms and loan ages are the same as the characteristics, remaining terms and loan ages assumed.

WEIGHTED AVERAGE LIVES AND EXPECTED MATURITY DATES OF THE CLASS A NOTES AT VARIOUS PERCENTAGES OF CPR

Weighted Average Life (years) [1]				
0% CPR	**2% CPR**	**4% CPR**	**6% CPR**	**8% CPR**
6.07	5.48	5.00	4.61	4.26

Expected Maturity Date				
0% CPR	**2% CPR**	**4% CPR**	**6% CPR**	**8% CPR**
January 25, 2029	January 25, 2027	April 25, 2025	May 25, 2024	August 25, 2023

(1) The weighted average life of the Class A notes (assuming a 360-day year consisting of twelve 30-day months) is determined by: (i) multiplying the amount of each principal payment on the Class A notes by the number of years from the closing date to the related monthly distribution date, (ii) adding the results, and (iii) dividing that sum by the aggregate principal amount of the Class A notes as of the closing date.

PERCENTAGES OF ORIGINAL PRINCIPAL OF THE CLASS A NOTES REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES AT VARIOUS PERCENTAGES OF CPR[(1)]

Monthly Distribution Dates	0% CPR	2% CPR	4% CPR	6% CPR	8% CPR
Date of Issuance	100%	100%	100%	100%	100%
December 25, 2012	98%	98%	98%	98%	98%
December 25, 2013	92%	90%	89%	87%	85%
December 25, 2014	84%	81%	78%	75%	72%
December 25, 2015	75%	71%	66%	62%	58%
December 25, 2016	66%	60%	56%	51%	46%
December 25, 2017	56%	50%	45%	40%	36%
December 25, 2018	46%	40%	35%	30%	26%
December 25, 2019	36%	30%	26%	21%	18%
December 25, 2020	27%	22%	18%	14%	11%
December 25, 2021	19%	14%	11%	8%	5%
December 25, 2022	13%	10%	6%	4%	2%
December 25, 2023	10%	6%	3%	1%	0%
December 25, 2024	7%	3%	1%	0%	0%
December 25, 2025	5%	2%	0%	0%	0%
December 25, 2026	3%	0%*	0%	0%	0%
December 25, 2027	2%	0%	0%	0%	0%
December 25, 2028	0%*	0%	0%	0%	0%
December 25, 2029	0%	0%	0%	0%	0%

* Greater than 0% but less than 0.5%.

(1) Assuming for purposes of this table that, among other things, the optional redemption does not occur.

APPENDIX B

DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

Beginning on July 1, 2010, FFELP Loans made pursuant to the Higher Education Act may no longer be originated, and all new federal student loans will be originated solely under the Federal Direct Student Loan Program (the "Direct Loan Program"). However, FFELP Loans originated under the Higher Education Act prior to July 1, 2010 which have been acquired by the trust continue to be subject to the provisions of the FFEL Program. The following description of the FFEL Program has been provided solely to explain certain of the provisions of the FFEL Program applicable to FFELP Loans made on or after July 1, 1998 and prior to July 1, 2010. Notwithstanding anything herein to the contrary, after June 30, 2010, no new FFELP Loans (including Consolidation Loans) may be made or insured under the FFEL Program, and no funds are authorized to be appropriated, or may be expended, under the Higher Education Act to make or insure loans under the FFEL Program (including Consolidation Loans) for which the first disbursement is after June 30, 2010, except as expressly authorized by an Act of Congress.

The following summary of the FFEL Program, as established by the Higher Education Act, does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the text of the Higher Education Act and the regulations thereunder.

The Higher Education Act provides for several different educational loan programs (collectively, the "Federal Family Education Loan Program" or "FFEL Program," and the loans originated thereunder, "Federal Family Education Loans" or "FFELP Loans"). Under the FFEL Program, state agencies or private nonprofit corporations administering student loan insurance programs ("Guaranty Agencies") are reimbursed for portions of losses sustained in connection with FFELP Loans, and holders of certain loans made under such programs are paid subsidies for owning such FFELP Loans. Certain provisions of the Federal Family Education Loan Program are summarized below.

The Higher Education Act has been subject to frequent amendments and federal budgetary legislation, the most significant of which has been the passage of H.R. 4872 (the "Health Care & Education Affordability Reconciliation Act of 2010" or "HCEARA") which terminated originations of FFELP Loans under the FFEL Program after June 30, 2010 such that all new federal student loans originated on and after July 1, 2010 are originated under the Direct Loan Program.

Federal Family Education Loans

Several types of loans were authorized as Federal Family Education Loans pursuant to the Federal Family Education Loan Program. These included: (a) loans to students meeting certain financial needs tests with respect to which the federal government makes interest payments available to reduce student interest cost during periods of enrollment ("Subsidized Stafford Loans"); (b) loans to students made without regard to financial need with respect to which the federal government does not make such interest payments ("Unsubsidized Stafford Loans" and, collectively with Subsidized Stafford Loans, "Stafford Loans"); (c) loans to graduate students, professional students, or parents of dependent students ("PLUS Loans"); and (d) loans available to borrowers with certain existing federal educational loans to consolidate repayment of such loans ("Consolidation Loans").

Generally, a FFELP Loan was made only to a United States citizen or permanent resident or otherwise eligible individual under federal regulations who (a) had been accepted for enrollment or was enrolled and was maintaining satisfactory progress at an eligible institution; (b) was carrying at least one-half of the normal full-time academic workload for the course of study the student was pursuing, as determined by such institution; (c) agreed to notify promptly the holder of the loan of any address change; (d) was not in default on any federal education loans; (e) met the applicable "need" requirements; and (f) had not committed a crime involving fraud or obtaining funds under the Higher Education Act which funds had not been fully repaid. Eligible institutions included higher educational institutions and vocational schools that complied with certain federal regulations. With certain exceptions, an institution with a cohort default rate that was equal to or greater than 25% for each of the three most recent fiscal years for which data was available was not an eligible institution under the Higher Education Act.

Subsidized Stafford Loans

The Higher Education Act provides for federal (a) insurance or reinsurance of eligible Subsidized Stafford Loans, (b) interest benefit payments for borrowers remitted to eligible lenders with respect to certain eligible Subsidized Stafford Loans, and (c) special allowance payments representing an additional subsidy paid by the Secretary to such holders of eligible Subsidized Stafford Loans.

Subsidized Stafford Loans were eligible for reinsurance under the Higher Education Act if the eligible student to whom the loan was made had been accepted or was enrolled in good standing at an eligible institution of higher education or vocational school and was carrying at least one-half the normal full-time workload at that institution. In connection with eligible Subsidized Stafford Loans there were limits as to the maximum amount which could be borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study. The Secretary had discretion to raise these limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subject to these limits, Subsidized Stafford Loans were available to borrowers in amounts not exceeding their unmet need for financing as provided in the Higher Education Act.

Unsubsidized Stafford Loans

Unsubsidized Stafford Loans were available to students who did not qualify for Subsidized Stafford Loans due to parental and/or student income or assets in excess of permitted amounts. In other respects, the general requirements for Unsubsidized Stafford Loans were essentially the same as those for Subsidized Stafford Loans. The interest rate, the loan fee requirements and the special allowance payment provisions of the Unsubsidized Stafford Loans were the same as the Subsidized Stafford Loans. However, the terms of the Unsubsidized Stafford Loans differ materially from Subsidized Stafford Loans in that the Secretary does not make interest benefit payments and the loan limitations were determined without respect to the expected family contribution. The borrower was required to pay interest from the time such loan was disbursed or capitalize the interest until repayment began.

PLUS Loan Program

The Higher Education Act authorized PLUS Loans to be made to graduate students, professional students, or parents of eligible dependent students. Only graduate students, professional students and parents who did not have an adverse credit history were eligible for PLUS Loans. The basic provisions applicable to PLUS Loans were similar to those of Stafford Loans with respect to the involvement of Guaranty Agencies and the Secretary in providing federal reinsurance on the loans. However, PLUS Loans differ significantly from Subsidized Stafford Loans, particularly because federal interest benefit payments are not available under the PLUS Program and special allowance payments are more restricted.

The Consolidation Loan Program

The Higher Education Act authorized a program under which certain borrowers were permitted to consolidate their various student loans into a single loan insured and reinsured on a basis similar to Subsidized Stafford Loans. The authority to make such Consolidation Loans expired on June 30, 2010. Consolidation Loans were made in an amount sufficient to pay outstanding principal, unpaid interest and late charges on certain federally insured or reinsured student loans incurred under and pursuant to the Federal Family Education Loan Program (other than Parent PLUS Loans) selected by the borrower, as well as loans made pursuant to the Perkins Loan Program, the Health Professions Student Loan Programs and the Direct Loan Program. Consolidation Loans made pursuant to the Direct Loan Program must conform to the eligibility requirements for Consolidation Loans under the Federal Family Education Loan Program. The borrowers could have been either in repayment status or in a grace period preceding repayment, but the borrower could not still be in school. Delinquent or defaulted borrowers were eligible to obtain Consolidation Loans if they agreed to re-enter repayment through loan consolidation. Borrowers were permitted to add additional loans to a Consolidation Loan during the 180-day period following origination of the Consolidation Loan. Further, a married couple who agreed to be jointly and severally liable was treated as one borrower for purposes of loan consolidation eligibility. A Consolidation Loan was federally insured or reinsured only if such loan was made in compliance with the requirements of the Higher Education Act.

The Higher Education Act authorizes the Secretary to offer the borrower a Direct Consolidation Loan with repayment provisions authorized under the Higher Education Act and terms consistent with a Consolidation Loan made pursuant to the FFEL Program. In addition, the Secretary may offer the borrower of a Consolidation Loan a Direct Consolidation Loan for one of three purposes: (a) providing the borrower with an income contingent repayment plan (or income-based repayment plan as of July 1, 2009) if the borrower's delinquent loan has been submitted to a Guaranty Agency for default aversion (or, as of July 1, 2009, if the loan is already in default); (b) allowing the borrower to participate in a public service loan forgiveness program offered under the Direct Loan Program or (c) allowing the borrower to use the no accrual of interest for active duty service members benefit offered under the Direct Loan Program for not more than sixty months for loans first disbursed on or after October 1, 2008. In order to participate in the public service loan forgiveness program, the borrower must not have defaulted on the Direct Loan; must have made 120 monthly payments on the Direct Loan after October 1, 2007 under certain income based repayment plans, a standard 10-year repayment plan for certain Direct Loans, or a certain income contingent repayment plan; and must be employed in a public service job at the time of forgiveness and during the period in which the borrower makes each of his 120 monthly payments. A public service job is defined broadly and includes working at an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and restated (the "IRC"), which is exempt from taxation under Section 501(a) of the IRC. No borrower may, however, receive a reduction of loan obligations under both the public service loan forgiveness program offered under the Direct Loan Program and the following programs: (a) the loan forgiveness program for teachers offered under both the FFEL Program and the Direct Loan Program, (b) the loan forgiveness program for service in areas of national need offered under the FFEL Program and (c) the loan repayment program for civil legal assistance attorneys offered under the FFEL Program.

Federal Direct Student Loan Program

The Student Loan Reform Act of 1993 established the Direct Loan Program. The first loans under the Direct Loan Program were made available for the 1994-1995 academic year. Under the Direct Loan Program, approved institutions of higher education, or alternative loan originators approved by the United States Department of Education (the "Department of Education"), make loans to students or parents without application to or funding from outside lenders or Guaranty Agencies. The Department of Education provides the funds for such loans, and the program provides for a variety of flexible repayment plans, including extended, graduated and income contingent repayment plans, forbearance of payments during periods of national service and consolidation under the Direct Loan Program of existing student loans. Such consolidation permits borrowers to prepay existing student loans and consolidate them into a Federal Direct Consolidation Loan under the Direct Loan Program. The Direct Loan Program also provides certain programs under which principal may be forgiven or interest rates may be reduced. Direct Loan Program repayment plans, other than income contingent plans, must be consistent with the requirements under the Higher Education Act for repayment plans under the FFEL Program. Due to the enactment of HCEARA, FFELP Loans made pursuant to the Higher Education Act are no longer originated, and as of July 1, 2010 new federal student loans are originated solely under the Direct Loan Program.

HCEARA additionally temporarily granted the Secretary authority to make a Federal Direct Consolidation Loan to a borrower (a) who had one or more loans in two or more of the following categories: (i) loans made under the Direct Loan Program, (ii) loans purchased by the Secretary pursuant to the provisions described herein under the caption "Secretary's Temporary Authority to Purchase Stafford Loans and PLUS Loans" below and (iii) loans made under the FFEL Program that are held by an eligible lender; (b) who had not yet entered repayment on one or more of such loans in any of the categories described in clause (a)(i)-(iii) herein; and (c) whose application for such Federal Direct Consolidation Loan was received by the Secretary on or after July 1, 2010 and before July 1, 2011.

Interest Rates

Subsidized and Unsubsidized Stafford Loans. Subsidized and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 which are in in-school, grace and deferment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 1.70%, with a maximum rate of 8.25%. Subsidized Stafford Loans and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 in all other payment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 2.30%, with a maximum rate of 8.25%. The rate is adjusted annually on July 1.

Subsidized Stafford Loans disbursed on or after July 1, 2006 and before July 1, 2010 bear interest at progressively lowered rates described below. Subsidized Stafford Loans made on or after July 1, 2006 but before

July 1, 2008 bear interest at a rate equal to 6.80% per annum. Subsidized Stafford Loans made on or after July 1, 2008 but before July 1, 2009 bear interest at a rate equal to 6.00% per annum. Subsidized Stafford Loans made on or after July 1, 2009 but before July 1, 2010 bear interest at a rate equal to 5.60% per annum.

Unsubsidized Stafford Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 6.80% per annum.

PLUS Loans. PLUS Loans made on or after October 1, 1998 but before July 1, 2006 bear interest at a rate equivalent to the 91-day T-Bill rate plus 3.10%, with a maximum rate of 9.00%. The rate is adjusted annually on July 1. PLUS Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 8.50% per annum.

Consolidation Loans. Consolidation Loans for which the application was received by an eligible lender on or after October 1, 1998 and that was disbursed before July 1, 2010 bear interest at a fixed rate equal to the lesser of (a) the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest one-eighth of 1.00% or (b) 8.25%.

Servicemembers Civil Relief Act – 6.00% Interest Rate Limitation. As of August 14, 2008, FFELP Loans incurred by a servicemember, or by a servicemember and the servicemember's spouse jointly, before the servicemember enters military service may not bear interest at a rate in excess of 6.00% during the period of military service. It is not clear at this time, however, if this interest rate limitation applies to a servicemember's already existing student loans or only to new student loans incurred by the servicemember on or after August 14, 2008 but prior to the servicemember's military service.

Loan Disbursements

The Higher Education Act generally required that Stafford Loans and PLUS Loans made to cover multiple enrollment periods, such as a semester, trimester, or quarter, be disbursed by eligible lenders in at least two separate disbursements. The Higher Education Act also generally required that the first installment of such loans made to a student who was entering the first year of a program of undergraduate education and who had not previously obtained a FFEL Program loan (a "First FFEL Student") must have been presented by the institution to the student 30 days after the First FFEL Student begins a course of study. However, certain institutions whose cohort default rate was less than 10% prior to October 1, 2011 and less than 15% on or after October 1, 2011 for each of the three most recent fiscal years for which data was available were permitted to (a) disburse any such loan made in a single installment for any period of enrollment that was not more than a semester, trimester, quarter, or 4 months and (b) deliver any such loan that was to be made to a First FFEL Student prior to the end of the 30 day period after the First FFEL Student began his or her course of study at the institution.

Loan Limits

A Stafford Loan borrower was permitted to receive a subsidized loan, an unsubsidized loan, or a combination of both for an academic period. Generally, the maximum amount of Stafford Loans, made prior to July 1, 2007, for an academic year was not permitted to exceed $2,625 for the first year of undergraduate study, $3,500 for the second year of undergraduate study and $5,500 per year for the remainder of undergraduate study. The maximum amount of Stafford Loans, made on or after July 1, 2007, for an academic year was not permitted to exceed $3,500 for the first year of undergraduate study and $4,500 for the second year of undergraduate study. The aggregate limit for undergraduate study was $23,000 (excluding PLUS Loans). Dependent undergraduate students were permitted to receive an additional unsubsidized Stafford Loan of up to $2,000 per academic year, with an aggregate maximum of $31,000. Independent undergraduate students were permitted to receive an additional Unsubsidized Stafford Loan of up to $6,000 per academic year for the first two years and up to $7,000 per academic year thereafter, with an aggregate maximum of $57,500. The maximum amount of subsidized loans for an academic year for graduate students was $8,500. Graduate students were permitted to borrow an additional Unsubsidized Stafford Loan of up to $12,000 per academic year. The Secretary had discretion to raise these limits by regulation to accommodate highly specialized or exceptionally expensive courses of study.

The total amount of all PLUS Loans that (a) parents were permitted to borrow on behalf of each dependent student or (b) graduate or professional students were permitted to borrow for any academic year was not permitted to exceed the student's estimated cost of attendance minus other financial assistance for that student as certified by the eligible institution which the student attends.

Repayment

General. Repayment of principal on a Stafford Loan does not commence while a student remains a qualified student, but generally begins six months after the date a borrower ceases to pursue at least a half-time course of study (the six month period is the "Grace Period"). Repayment of interest on an Unsubsidized Stafford Loan begins immediately upon disbursement of the loan; however, the lender may capitalize the interest until repayment of principal is scheduled to begin. Except for certain borrowers as described below, each loan generally must be scheduled for repayment over a period of not more than 10 years after the commencement of repayment. The Higher Education Act currently requires minimum annual payments of $600, including principal and interest, unless the borrower and the lender agree to lesser payments. Regulations of the Secretary require lenders to offer borrowers standard, graduated, income-sensitive, or, as of July 1, 2009 for certain eligible borrowers, income-based repayment plans. Use of income-based repayment plans may extend the ten-year maximum term.

Effective July 1, 2009, a new income-based repayment plan became available to certain FFEL Program borrowers and Direct Loan Program borrowers. To be eligible to participate in the plan, the borrower's annual amount due on loans made to a borrower prior to July 1, 2010 with respect to FFEL Program borrowers and prior to July 1, 2014 with respect to Direct Loan Program borrowers (as calculated under a standard 10-year repayment plan for such loans) must exceed 15% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. With respect to any loan made to a new Direct Loan Program borrower on or after July 1, 2014, the borrower's annual amount due on such loans (as calculated under a standard 10-year repayment plan for such loans) must exceed 10% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. Such a borrower may elect to have his payments limited to the monthly amount of the above-described result. Furthermore, the borrower is permitted to repay his loans over a term greater than 10 years. The Secretary will repay any outstanding principal and interest on eligible FFEL Program loans and cancel any outstanding principal and interest on eligible Direct Loan Program loans for borrowers who participated in the new income-based repayment plan and, for a period of time prescribed by the Secretary (but not more than 25 years for a borrower whose loan was made prior to July 1, 2010 with respect to FFEL Program loans and prior to July 1, 2014 with respect to Direct Loan Program loans and not more than 20 years for a Direct Loan Program borrower whose loan was made on or after July 1, 2014), have (a) made certain reduced monthly payments under the income-based repayment plan; (b) made certain payments based on a 10-year repayment period when the borrower first made the election to participate in the income-based repayment plan; (c) made certain payments based on a standard 10-year repayment period; (d) made certain payments under an income-contingent repayment plan for certain Direct Loan Program loans; or (e) have been in an economic hardship deferment.

Borrowers of Subsidized Stafford Loans and of the subsidized portion of Consolidation Loans, and borrowers of similar subsidized loans under the Direct Loan Program receive additional benefits under the new income-based repayment program: the Secretary will pay any unpaid interest due on the borrower's subsidized loans for up to three years after the borrower first elects to participate in the new income-based repayment plan (excluding any periods where the borrower has obtained economic hardship deferment). For both subsidized and unsubsidized loans, interest is capitalized when the borrower either ends his participation in the income-based repayment program or begins making certain payments under the program calculated for those borrowers whose financial hardship has ended.

PLUS Loans enter repayment on the date the last disbursement is made on the loan. Interest accrues and is due and payable from the date of the first disbursement of the loan. The first payment is due within 60 days after the loan is fully disbursed, subject to deferral. For parent borrowers whose loans were first disbursed on or after July 1, 2008, it is possible, upon the request of the parent, to begin repayment on the later of (a) six months and one day after the student for whom the loan is borrowed ceases to carry at least one-half of the normal full-time academic workload (as determined by the school) and (b) if the parent borrower is also a student, six months and one day after the date such parent borrower ceases to carry at least one-half such a workload. Similarly, graduate and professional student borrowers whose loans were first disbursed on or after July 1, 2008 may begin repayment six months and one day after such student ceases to carry at least one-half the normal full-time academic workload (as determined by the school). Repayment plans are the same as in the Subsidized and Unsubsidized Stafford Loan Program for all PLUS Loans except those PLUS Loans which are made, insured, or guaranteed on behalf of a dependent student;

such excepted PLUS Loans are not eligible for the income-based repayment plan which became effective on July 1, 2009. Furthermore, eligible lenders were permitted to determine for all PLUS Loan borrowers (a) whose loans were first disbursed on or after July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (1) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan payments or on medical bills, and (2) did not otherwise have an adverse credit history, as determined by the lender in accordance with the regulations promulgated under the Higher Education Act prior to May 7, 2008 and (b) whose loans were first disbursed prior to July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (1) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan or on medical bills and (2) was not and had not been delinquent on the repayment of any other debt for more than 89 days during the period.

Consolidation Loans enter repayment on the date the loan is disbursed. The first payment is due within 60 days after all holders of the loan have discharged the liabilities of the borrower on the loan selected for consolidation. Consolidation Loans which are not being paid pursuant to income-sensitive repayment plans (or, as of July 1, 2009, income-based repayment plans) must generally be repaid during a period agreed to by the borrower and lender, subject to maximum repayment periods which vary depending upon the principal amount of the borrower's outstanding student loans (but no longer than 30 years). Consolidation Loans may also be repaid pursuant to the new income-based repayment plan which became effective on July 1, 2009. However, Consolidation Loans which have been used to repay a PLUS Loan that has been made, insured, or guaranteed on behalf of a dependent student were not eligible for this new income-based repayment plan.

FFEL Program borrowers who accumulate outstanding FFELP Loans on or after October 7, 1998 totaling more than $30,000 were permitted to receive an extended repayment plan, with a fixed annual or graduated payment amount paid over a longer period of time, not to exceed 25 years. A borrower may accelerate principal payments at any time without penalty. Once a repayment plan is established, the borrower may annually change the selection of the plan.

Deferment and Forbearance Periods. No principal repayments need to be made during certain periods prescribed by the Higher Education Act ("Deferment Periods") but interest accrues and must be paid. Generally, Deferment Periods include periods (a) when the borrower has returned to an eligible educational institution on a half-time basis or is pursuing studies pursuant to an approved graduate fellowship or an approved rehabilitation training program for disabled individuals; (b) not in excess of three years while the borrower is seeking and unable to find full-time employment; (c) while the borrower is serving on active duty during a war or other military operation or national emergency, is performing qualifying National Guard duty during a war or other military operation or national emergency, and for 180 days following the borrower's demobilization date for the above-described services; (d) during the 13 months following service if the borrower is a member of the National Guard, a member of a reserve component of the military, or a retired member of the military who (i) is called or ordered to active duty, and (ii) is or was enrolled within six months prior to the activation at an eligible educational institution; (e) if the borrower is in active military duty, or is in reserve status and called to active duty; and (f) not in excess of three years for any reason which the lender determines, in accordance with regulations, has caused or will cause the borrower economic hardship. Deferment periods extend the maximum repayment periods. Under certain circumstances, a lender may also allow periods of forbearance ("Forbearance") during which the borrower may defer payments because of temporary financial hardship. The Higher Education Act specifies certain periods during which Forbearance is mandatory. Mandatory Forbearance periods include, but are not limited to, periods during which the borrower is (i) participating in a medical or dental residency and is not eligible for deferment; (ii) serving in a qualified medical or dental internship program or certain national service programs; or (iii) determined to have a debt burden of certain federal loans equal to or exceeding 20% of the borrower's gross income. In other circumstances, Forbearance may be granted at the lender's option. Forbearance also extends the maximum repayment periods.

Master Promissory Notes

Since July 2000, all lenders were required to use a master promissory note (the "MPN") for new Stafford Loans. Unless otherwise notified by the Secretary, each institution of higher education that participated in the FFEL Program was permitted to use a master promissory note for FFELP Loans. The MPN permitted a borrower to obtain future loans without the necessity of executing a new promissory note. Borrowers were not, however, required to obtain all of their future loans from their original lender, but if a borrower obtains a loan from a lender which does not presently hold an MPN for that borrower, that borrower was required to execute a new MPN. A single borrower

may have several MPNs evidencing loans to multiple lenders. If multiple loans have been advanced pursuant to a single MPN, any or all of those loans may be individually sold by the holder of the MPN to one or more different secondary market purchasers.

Interest Benefit Payments

The Secretary is to pay interest on Subsidized Stafford Loans while the borrower is a qualified student, during a Grace Period or during certain Deferment Periods. In addition, those portions of Consolidation Loans that repay Subsidized Stafford Loans or similar subsidized loans made under the Direct Loan Program are eligible for interest benefit payments. The Secretary is required to make interest benefit payments to the holder of Subsidized Stafford Loans in the amount of interest accruing on the unpaid balance thereof prior to the commencement of repayment or during any Deferment Period. The Higher Education Act provides that the holder of an eligible Subsidized Stafford Loan, or the eligible portions of Consolidation Loans, shall be deemed to have a contractual right against the United States to receive interest benefit payments in accordance with its provisions.

Special Allowance Payments

The Higher Education Act provides for special allowance payments to be made by the Secretary to eligible lenders. The rates for special allowance payments are based on formulas that differ according to the type of loan, the date the loan was first disbursed, the interest rate and the type of funds used to finance such loan (tax-exempt or taxable). Loans made or purchased with funds obtained by the holder from the issuance of tax-exempt obligations issued prior to October 1, 1993 have an effective minimum rate of return of 9.50%. Amounts derived from recoveries of principal on loans made prior to October 1, 1993 may only be used to originate or acquire additional loans by a unit of a state or local government, or non-profit entity not owned or controlled by or under common ownership of a for-profit entity and held directly or through any subsidiary, affiliate or trustee, which entity has a total unpaid balance of principal equal to or less than $100,000,000 on loans for which special allowances were paid in the most recent quarterly payment prior to September 30, 2005. Such entities were permitted to originate or acquire additional loans with amounts derived from recoveries of principal until December 31, 2010. The special allowance payments payable with respect to eligible loans acquired or funded with the proceeds of tax-exempt obligations issued after September 30, 1993 are equal to those paid to other lenders.

Public Law 112-74, dated December 23, 2011, amended the Higher Education Act, reflecting financial market conditions, to allow FFELP lenders to make an affirmative election to permanently change the index for Special Allowance Payment calculations on all FFELP loans in the lender's portfolio (with certain limited exceptions) disbursed after January 1, 2000 from the Three Month Commercial Paper Rate (as hereafter defined) to the One Month LIBOR Rate (as hereafter defined), commencing with the Special Allowance Payment calculations for the calendar quarter beginning on April 1, 2012. Such election to permanently change the index for Special Allowance Payment calculations must be made by April 1, 2012 and must also waive all contractual, statutory or other legal rights to the Special Allowance Payment calculation formula in effect at the time the loans were first disbursed

Subject to the foregoing, the formulas for special allowance payment rates for Subsidized and Unsubsidized Stafford Loans are summarized in the following chart. The term "T-Bill" as used in this table and the following table, means the average 91-day treasury bill rate calculated at a "bond equivalent rate" in the manner applied by the Secretary as referred to in Section 438 of the Higher Education Act. The term "Three Month Commercial Paper Rate" means the 90-day commercial paper index calculated quarterly and based on an average of the daily 90-day commercial paper rates reported in the Federal Reserve's Statistical Release H-15. The term "One Month LIBOR Rate" means the one-month London Interbank Offered Rate for United States dollars in effect for each of the days in such quarter as compiled and released by the British Bankers Association.

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after July 1, 1995	T-Bill Rate less Applicable Interest Rate + 3.10% [1]
On or after July 1, 1998	T-Bill Rate less Applicable Interest Rate + 2.80% [2]
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.34% [3]
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.94% [4]
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.79% [5]

*Substitute "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" in this formula where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

[1] Substitute 2.50% in this formula while such loans are in the in-school or grace period.

[2] Substitute 2.20% in this formula while such loans are in the in-school or grace period.

[3] Substitute 1.74% in this formula while such loans are in the in-school or grace period.

[4] Substitute 1.34% in this formula while such loans are in the in-school or grace period.

[5] Substitute 1.19% in this formula while such loans are in the in-school or grace period.

The formulas for special allowance payment rates for PLUS Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate +2.64%
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.94%
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.79%

*Substitute "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" in this formula where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

The formulas for special allowance payment rates for Consolidation Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.64%
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.24%
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.09%

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*Substitute "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" in this formula where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

Special allowance payments are generally payable, with respect to variable rate FFELP Loans to which a maximum borrower interest rate applies, only when the maximum borrower interest rate is in effect. The Secretary offsets interest benefit payments and special allowance payments by the amount of origination fees and lender loan fees described under the caption "Loan Fees" below.

The Higher Education Act provides that a holder of a qualifying loan who is entitled to receive special allowance payments has a contractual right against the United States to receive those payments during the life of the loan. Receipt of special allowance payments, however, is conditioned on the eligibility of the loan for federal insurance or reinsurance benefits. Such eligibility may be lost due to violations of federal regulations or Guaranty Agencies' requirements.

The Higher Education Act provides that for FFELP Loans first disbursed on or after April 1, 2006 and before July 1, 2010, lenders must remit to the Secretary any interest paid by a borrower which is in excess of the special allowance payment rate set forth above for such loans.

Loan Fees

Insurance Premium. For loans guaranteed before July 1, 2006, a Guaranty Agency was authorized to charge a premium, or guarantee fee, of up to 1.00% of the principal amount of the loan, which may be deducted proportionately from each installment of the loan. Generally, Guaranty Agencies had waived this fee since 1999. For loans guaranteed on or after July 1, 2006 that are first disbursed before July 1, 2010, a federal default fee equal to 1.00% of principal was required to be paid into such Guaranty Agency's Federal Student Loan Reserve Fund (hereinafter defined as the "Federal Fund").

Origination Fee. Lenders were authorized to charge borrowers of Subsidized Stafford Loans and Unsubsidized Stafford Loans an origination fee in an amount not to exceed: 3.00% of the principal amount of the loan for loans disbursed prior to July 1, 2006; 2.00% of the principal amount of the loan for loans disbursed on or after July 1, 2006 and before July 1, 2007; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007 and before August 1, 2008; 1.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008 and before July 1, 2009; and 0.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009 and before July 1, 2010. The Secretary is authorized to charge borrowers of Direct Loans 4.00% of the principal amount of the loan for loans disbursed prior to February 8, 2006. A lender was permitted to charge a lesser origination fee to Stafford Loan borrowers so long as the lender did so consistently with respect to all borrowers who resided in or attended school in a particular state. For borrowers of Direct Loans other than Federal Direct Consolidation Loans and Federal Direct PLUS Loans, the Secretary may charge such borrowers as follows: 3.00% of the principal amount of the loan for loans disbursed on or after February 8, 2006 and before July 1, 2007; 2.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007 and before August 1, 2008; 2.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008 and before July 1, 2009; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009 and before July 1, 2010; and

1.00% of the principal amount of the loan for loans disbursed on or after July 1, 2010. These fees must be deducted proportionately from each installment payment of the loan proceeds prior to payment to the borrower. The lenders were required to pass the origination fees received under the FFEL Program on to the Secretary.

Lender Loan Fee. The lender of any FFELP Loan was required to pay to the Secretary an additional origination fee equal to 0.50% of the principal amount of the loan for loans first disbursed on or after October 1, 1993, but prior to October 1, 2007. For all loans first disbursed on or after October 1, 2007 and before July 1, 2010, the lender was required to pay an additional origination fee equal to 1.00% of the principal amount of the loan.

The Secretary collects from the lender or subsequent holder of the loan the maximum origination fee authorized (regardless of whether the lender actually charges the borrower) and the lender loan fee, either through reductions in interest benefit payments or special allowance payments or directly from the lender or holder of the loan.

Rebate Fee on Consolidation Loans. The holder of any Consolidation Loan for which the first disbursement was made on or after October 1, 1993, is required to pay to the Secretary a monthly rebate fee equal to .0875% (1.05% per annum) of the principal amount plus accrued unpaid interest on the loan. However, for Consolidation Loans for which applications were received from October 1, 1998 to January 31, 1999, inclusive, the monthly rebate fee is approximately equal to .0517% (.62% per annum) of the principal amount plus accrued interest on the loan.

Insurance and Guarantees

A Guaranty Agency guarantees Federal Family Education Loans made to students or parents of students by eligible lenders. A Guaranty Agency generally purchases defaulted student loans which it has guaranteed with its reserve fund (as described under the caption "Guaranty Agency Reserves" below). A Federal Family Education Loan is considered to be in default for purposes of the Higher Education Act when the borrower fails to make an installment payment when due, or to comply with other terms of the loan, and if the failure persists for 270 days in the case of a loan repayable in monthly installments or for 330 days in the case of a loan repayable in less frequent installments. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the Guaranty Agency is to pay the holder a percentage of such amount of the loss subject to a reduction (as described in 20 U.S.C. § 1075(b)) within 90 days of notification of such default. The default claim package submitted to a Guaranty Agency must include all information and documentation required under the Federal Family Education Loan Program regulations and such Guaranty Agency's policies and procedures.

The Higher Education Act gives the Secretary of Education various oversight powers over the Guaranty Agencies. These include requiring a Guaranty Agency to maintain its reserve fund at a certain required level and taking various actions relating to a Guaranty Agency if its administrative and financial condition jeopardizes its ability to meet its obligations.

Federal Insurance. The Higher Education Act provides that, subject to compliance with such Act, the full faith and credit of the United States is pledged to the payment of insurance claims and ensures that such reimbursements are not subject to reduction. In addition, the Higher Education Act provides that if a Guaranty Agency is unable to meet its insurance obligations, holders of loans may submit insurance claims directly to the Secretary until such time as the obligations are transferred to a new Guaranty Agency capable of meeting such obligations or until a successor Guaranty Agency assumes such obligations. Federal reimbursement and insurance payments for defaulted loans are paid from the student loan insurance fund established under the Higher Education Act. The Secretary is authorized, to the extent provided in advance by appropriations acts, to issue obligations to the Secretary of the Treasury to provide funds to make such federal payments.

Guarantees. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the eligible lender is reimbursed by the Guaranty Agency for a statutorily set percentage (98% for loans first disbursed prior to July 1, 2006 and 97% for loans first disbursed on or after July 1, 2006 but before July 1, 2010) of the unpaid principal balance of the loan plus accrued unpaid interest on any defaulted loan so long as the eligible lender has properly serviced such loan. Under the Higher Education Act, the Secretary enters into a guarantee agreement and a reinsurance agreement (the "Guarantee Agreements") with each Guaranty Agency which provides for federal reimbursement for amounts paid to eligible lenders by the Guaranty Agency with respect to defaulted loans.

Guarantee Agreements. Pursuant to the Guarantee Agreements, the Secretary is to reimburse a Guaranty Agency for the amounts expended in connection with a claim resulting from the death of a borrower; bankruptcy of a borrower; total and permanent disability of a borrower (including those borrowers who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition); inability of a borrower to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted continuously for at least 60 months, or can be expected to last continuously for at least 60 months; the death of a student whose parent is the borrower of a PLUS Loan; certain claims by borrowers who are unable to complete the programs in which they are enrolled due to school closure; borrowers whose borrowing eligibility was falsely certified by the eligible institution; or the amount of an unpaid refund due from the school to the lender in the event the school fails to make a required refund. Such claims are not included in calculating a Guaranty Agency's claims rate experience for federal reimbursement purposes. Generally, educational loans are non-dischargeable in bankruptcy unless the bankruptcy court determines that the debt will impose an undue hardship on the borrower and the borrower's dependents. Further, the Secretary is to reimburse a Guaranty Agency for any amounts paid to satisfy claims not resulting from death, bankruptcy, or disability subject to reduction as described below. See the caption "Education Loans Generally Not Subject to Discharge in Bankruptcy" below.

The Secretary may terminate Guarantee Agreements if the Secretary determines that termination is necessary to protect the federal financial interest or to ensure the continued availability of loans to student or parent borrowers. Upon termination of such Guarantee Agreements, the Secretary is authorized to provide the Guaranty Agency with additional advance funds with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to meet the immediate cash needs of the Guaranty Agency, ensure the uninterrupted payment of claims, or ensure that the Guaranty Agency will make loans as the lender-of-last-resort. On May 7, 2008, Treasury funds were further authorized to be appropriated for emergency advances to Guaranty Agencies to ensure such Guaranty Agencies are able to act as lenders-of-last-resort and to assist Guaranty Agencies with immediate cash needs, claims, or any demands for loans under the lender-of-last-resort program.

If the Secretary has terminated or is seeking to terminate Guarantee Agreements, or has assumed a Guaranty Agency's functions, notwithstanding any other provision of law: (a) no state court may issue an order affecting the Secretary's actions with respect to that Guaranty Agency; (b) any contract entered into by the Guaranty Agency with respect to the administration of the Guaranty Agency's reserve funds or assets purchased or acquired with reserve funds shall provide that the contract is terminable by the Secretary upon 30 days' notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets or is inconsistent with the terms or purposes of the Higher Education Act; and (c) no provision of state law shall apply to the actions of the Secretary in terminating the operations of the Guaranty Agency. Finally, notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a Guaranty Agency (other than outstanding student loan guarantees under the Higher Education Act), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the Guaranty Agency, minus any necessary liquidation or other administrative costs.

Reimbursement. The amount of a reimbursement payment on defaulted loans made by the Secretary to a Guaranty Agency is subject to reduction based upon the annual claims rate of the Guaranty Agency calculated to equal the amount of federal reimbursement as a percentage of the original principal amount of originated or guaranteed loans in repayment on the last day of the prior fiscal year. The claims experience is not accumulated from year to year, but is determined solely on the basis of claims in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year. The formula for reimbursement amounts is summarized below:

Claims Rate	Guaranty Agency Reinsurance Rate for Loans made prior to October 1, 1993	Guaranty Agency Reinsurance Rate for Loans made between October 1, 1993 and September 30, 1998	Guaranty Agency Reinsurance Rate for Loans made on or after October 1, 1998 and prior to July 1, 2010[1]
0% up to 5%	100%	98%	95%
5% up to 9%	100% of claims up to 5%; and 90% of claims 5% and over	98% of claims up to 5%; and 88% of claims 5% and over	95% of claims up to 5% and 85% of claims 5% and over
9% and over	100% of claims up to 5%; 90% of claims 5% up to 9%; 80% of claims 9% and over	98% of claims up to 5%; 88% of claims 5% up to 9%; 78% of claims 9% and over	95% of claims up to 5%, 85% of claims 5% up to 9%; 75% of claims 9% and over

[1] Student loans made pursuant to the lender-of-last resort program have an amount of reinsurance equal to 100%; student loans transferred by an insolvent Guaranty Agency have an amount of reinsurance ranging from 80% to 100%.

The amount of loans guaranteed by a Guarantee Agency which are in repayment for purposes of computing reimbursement payments to a Guarantee Agency means the original principal amount of all loans guaranteed by a Guarantee Agency less: (a) guarantee payments on such loans, (b) the original principal amount of such loans that have been fully repaid, and (c) the original amount of such loans for which the first principal installment payment has not become due.

In addition, the Secretary may withhold reimbursement payments if a Guarantee Agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental guarantee agreement is subject to annual renegotiation and to termination for cause by the Secretary.

Under the Guarantee Agreements, if a payment by the borrower on a FFELP Loan guaranteed by a Guarantee Agency is received after reimbursement by the Secretary, the Secretary is entitled to receive an equitable share of the borrower's payment. The Secretary's equitable share of the borrower's payment equals the amount remaining after the Guarantee Agency has deducted from such payment: (a) the percentage amount equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made with respect to the loan and (b) as of October 1, 2007, 16% of the borrower's payments (to be used for the Guarantee Agency's Operating Fund (hereinafter defined)). The percentage deduction for use of the borrower's payments for the Guarantee Agency's Operating Fund varied prior to October 1, 2007: from October 1, 2003 through and including September 30, 2007, the percentage in effect was 23% and prior to October 1, 2003, the percentage in effect was 24%. The Higher Education Act further provides that on or after October 1, 2006, a Guarantee Agency may not charge a borrower collection costs in an amount in excess of 18.50% of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower; provided that the Guarantee Agency must remit to the Secretary a portion of the collection charge equal to 8.50% of the outstanding principal and interest of the defaulted loan. In addition, on or after October 1, 2009, a Guarantee Agency must remit to the Secretary any collection fees on defaulted loans paid off with consolidation proceeds by the borrower which are in excess of 45% of the Guarantee Agency's total collections on defaulted loans in any one federal fiscal year.

Lender Agreements. Pursuant to most typical agreements for guarantee between a Guarantee Agency and the originator of the loan, any eligible holder of a loan insured by such a Guarantee Agency is entitled to reimbursement from such Guarantee Agency, subject to certain limitations, of any proven loss incurred by the holder of the loan resulting from default, death, permanent and total disability, certain medically determinable physical or mental impairment, or bankruptcy of the student borrower at the rate of 98% for loans in default made on or after October 1, 1993 but prior to July 1, 2006 and 97% for loans in default made on or after July 1, 2006 but prior to July 1, 2010. Certain holders of loans may receive higher reimbursements from Guarantee Agencies. For example, lenders of last resort may receive reimbursement at a rate of 100% from Guarantee Agencies.

Guarantee Agencies generally deem default to mean a student borrower's failure to make an installment payment when due or to comply with other terms of a note or agreement under circumstances in which the holder of the loan may reasonably conclude that the student borrower no longer intends to honor the repayment obligation and for which the failure persists for 270 days in the case of a loan payable in monthly installments or for 330 days in the case of a loan payable in less frequent installments. When a loan becomes at least 60 days past due, the holder is required to request default aversion assistance from the applicable Guarantee Agency in order to attempt to cure the delinquency. When a loan becomes 240 days past due, the holder is required to make a final demand for payment of the loan by the borrower. The holder is required to continue collection efforts until the loan is 270 days past due. At the time of payment of insurance benefits, the holder must assign to the applicable Guarantee Agency all right accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a Guarantee Agency from filing a claim for reimbursement with respect to losses prior to 270 days after the loan becomes delinquent with respect to any installment thereon.

Any holder of a loan is required to exercise due care and diligence in the servicing of the loan and to utilize practices which are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a Guarantee Agency has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the Guarantee Agency may take reasonable action including withholding payments or requiring reimbursement of funds. The Guarantee Agency may also terminate the agreement for cause upon notice and hearing.

Rehabilitation of Defaulted Loans. Under the Higher Education Act, the Secretary of Education is authorized to enter into an agreement with each Guaranty Agency pursuant to which a Guaranty Agency sells defaulted student loans that are eligible for rehabilitation to an eligible lender. For a defaulted student loan to be rehabilitated, the borrower must request rehabilitation and the applicable Guaranty Agency must receive an on-time, voluntary, full payment each month for 12 consecutive months. However, effective July 1, 2006, for a student loan to be eligible for rehabilitation, the applicable Guaranty Agency must receive 9 payments made within 20 days of the due date during 10 consecutive months. Upon rehabilitation, a student loan is eligible for all the benefits under the Higher Education Act for which it would have been eligible had no default occurred.

A Guaranty Agency repays the Secretary an amount equal to 81.5% of the outstanding principal balance of the student loan at the time of sale to the lender multiplied by the reimbursement percentage in effect at the time the student loan was reimbursed. The amount of such repayment is deducted from the amount of federal reimbursement payments for the fiscal year in which such repayment occurs, for purposes of determining the reimbursement rate for that fiscal year.

Loans Subject to Repurchase. The Higher Education Act requires a lender to repurchase student loans from a Guaranty Agency, under certain circumstances, after a Guaranty Agency has paid for the student loan through the claim process. A lender is required to repurchase: (a) a student loan found to be legally unenforceable against the borrower; (b) a student loan for which a bankruptcy claim has been paid if the borrower's bankruptcy is subsequently dismissed by the court or, as a result of the bankruptcy hearing, the student loan is considered non-dischargeable and the borrower remains responsible for repayment of the student loan; (c) a student loan which is subsequently determined not to be in default; or (d) a student loan for which a Guaranty Agency inadvertently paid the claim.

Guarantee Agency Reserves

Each Guarantee Agency is required to establish a Federal Fund which, together with any earnings thereon, is deemed to be property of the United States. Each Guarantee Agency is required to deposit into the Federal Fund any reserve funds plus reinsurance payments received from the Secretary, a certain percentage of default collections equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made, insurance premiums, 70% of payments received after October 7, 1998 from the Secretary for administrative cost allowances for loans insured prior to that date, and other receipts as specified in regulations. A Guarantee Agency is authorized to transfer up to 180 days' cash expenses for normal operating expenses (other than claim payments) from the Federal Fund to the Operating Fund at any time during the first three years after establishment of the fund. The Federal Fund may be used to pay lender claims and to pay default aversion fees into the Operating Fund. A Guarantee Agency is also required to establish an operating fund (the "Operating Fund"), which, except for funds transferred from the Federal Fund to meet operating expenses during the first three years after fund establishment, is the property of the Guarantee Agency. A Guarantee Agency was permitted to deposit into the

Operating Fund loan processing and issuance fees equal to 0.40% of the total principal amount of loans insured during the fiscal year for loans originated on or after October 1, 2003 and first disbursed before July 1, 2010, 30% of payments received after October 7, 1998 for the administrative cost allowances for loans insured prior to that date, the account maintenance fee paid by the Secretary for Direct Loan Program loans in the amount of .06% of the original principal amount of the outstanding loans insured, any default aversion fee that is paid, the Guarantee Agency's 16% retention on collections of defaulted loans and other receipts as specified in the regulations. An Operating Fund must be used for application processing, loan disbursement, enrollment and repayment status management, default aversion, collection activities, school and lender training, financial aid awareness and related outreach activities, compliance monitoring, and other student financial aid related activities. For Subsidized and Unsubsidized Stafford Loans guaranteed on or after July 1, 2006 and first disbursed before July 1, 2010, Guarantee Agencies were required to collect and deposit a federal default fee to the Federal Fund equal to 1.00% of the principal amount of the loan.

The Higher Education Act provides for a recall of reserves from each Federal Fund in certain years, but also provides for certain minimum reserve levels which are protected from recall. The Secretary is authorized to enter into voluntary, flexible agreements with Guarantee Agencies under which various statutory and regulatory provisions can be waived; provided, however, the Secretary is not authorized to waive, among other items, any deposit of default aversion fees by Guarantee Agencies. In addition, under the Higher Education Act, the Secretary is prohibited from requiring the return of all of a Guarantee Agency's reserve funds unless the Secretary determines that the return of these funds is in the best interest of the operation of the FFEL Program, or to ensure the proper maintenance of such Guarantee Agency's funds or assets or the orderly termination of the Guarantee Agency's operations and the liquidation of its assets. The Higher Education Act also authorizes the Secretary to direct a Guarantee Agency to: (a) return to the Secretary all or a portion of its reserve fund which the Secretary determines is not needed to pay for the Guarantee Agency's program expenses and contingent liabilities; and (b) cease any activities involving the expenditure, use or transfer of the Guarantee Agency's reserve funds or assets which the Secretary determines is a misapplication, misuse or improper expenditure.

Asset-Backed Commercial Paper Conduit Program.

In a November 10, 2008 "Dear Colleague" letter, the Secretary announced that, due to stagnation in the credit markets and the billions of dollars of student loans which remain on bank balance sheets, the Department of Education would develop an asset-backed commercial paper conduit program (the "Asset-Backed Commercial Paper Conduit Program") to purchase fully disbursed FFELP Loans (other than Consolidation Loans) awarded between October 1, 2003 and July 1, 2009. Each conduit would be privately created by an eligible lender trustee and would contain the ownership rights of lenders to their eligible FFELP Loans. The conduit would issue commercial paper to investors and secure the repayment of the commercial paper with the conduit's FFELP Loan pool. The funds provided by investors would be paid to the student lenders who transferred the ownership rights in their eligible FFELP Loans to the conduit. The Department of Education would, pursuant to the Ensuring Continued Access to Student Loans Act, enter into forward purchase commitments with each eligible lender trustee participating in the Asset-Backed Commercial Paper Conduit Program and commit to purchasing at a date in the future eligible FFELP Loans at a certain price from the conduit if the conduit lacks sufficient funds to repay its investors as the commercial paper becomes due. A single conduit borrower, Straight-A Funding, LLC, was established pursuant to the Asset-Backed Commercial Paper Conduit Program. The ability to finance eligible FFELP Loans under the Asset-Backed Commercial Paper Conduit Program terminated on June 30, 2010. The Asset-Backed Commercial Paper Conduit Program currently terminates in January of 2014. Any FFELP Loans not refinanced by a lender will be put to the Department upon the expiration of the Asset-Backed Commercial Paper Conduit Program.

Lender-of-Last-Resort Program

The FFEL Program allowed Guaranty Agencies and certain eligible lenders to act as lenders-of-last-resort before July 1, 2010. A lender-of-last-resort was authorized to receive advances from the Secretary in order to ensure that adequate loan capital exists in order to make loans to students before July 1, 2010. Students and parents of students who were otherwise unable to obtain FFELP Loans (other than Consolidation Loans) were permitted to apply to receive loans from the state's lenders-of-last-resort before July 1, 2010.

Education Loans Generally Not Subject to Discharge in Bankruptcy

Under the U.S. Bankruptcy Code, educational loans are not generally dischargeable. Title 11 of the United States Code at Section 523(a)(8)(A)(i)-(ii) provides that a discharge under Section 727, 1141, 1228(a), 1228(b), or 1328(b) of Title 11 of the United States Code does not discharge an individual debtor from any debt for an education benefit overpayment or loan made, insured, or guaranteed by a governmental unit or made under any program funded in whole or in part by a governmental unit or nonprofit institution, or for an obligation to repay funds received as an educational benefit, scholarship or stipend unless excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor's dependents.

$686,600,000

Student Loan Asset-Backed Notes,
Series 2012-1
Senior Class A
Subordinate Class B

NorthStar Student Loan Trust I
Issuer

OFFERING MEMORANDUM

Initial purchaser

RBC Capital Markets

You should rely only on the information provided in this Offering Memorandum. We have not authorized anyone to provide you with different information.

We are not offering the Class A notes in any state or other jurisdiction where the offer would not be permitted or which would require us to register or qualify the Class A notes.

October 16, 2012