



## **Illinois Student Assistance Commission**

**\$648,587,565**

*Portfolio Sale*

December 22, 2006

The Illinois Student Assistance Commission (“ISAC” or the “Commission”) is contemplating the sale of a portion of its student loan portfolio (the “Loan Portfolio”) and is seeking bids from interested parties.

### **Bid Submission Instructions**

Those who intend to submit a bid (“Respondents”) shall indicate so no later than 12:00 PM eastern time on Friday, January 5<sup>th</sup> by emailing or faxing an executed Confidentiality Agreement (attached) and a Preliminary Portfolio Bid Form in the format outlined in the attached **Exhibit 1** to the representatives of Morgan Stanley and Gardner, Underwood & Bacon (collectively, the “Advisors”) listed below. ISAC may determine, in its sole discretion, whether or not to consider any bids that are not received by the date and time set forth in this paragraph and also retains the right to waive any informalities and irregularities in any bid.

Ms. Barbara Thomas  
Executive Director  
Morgan Stanley  
Phone: (212) 762-7407  
Fax: (212) 507-0390

[barbara.thomas@morganstanley.com](mailto:barbara.thomas@morganstanley.com)

Mr. Chris Simmons  
Vice President  
Morgan Stanley  
Phone: (212) 762-8135  
Fax: (212) 507-6048

[christopher.simmons@morganstanley.com](mailto:christopher.simmons@morganstanley.com)

Mr. Mark Young  
Principal  
Gardner, Underwood & Bacon  
Phone: (310) 442-1200  
Fax: (310) 442-1208

[myoung@gubllc.com](mailto:myoung@gubllc.com)

ISAC may, upon receipt of bids, determine at that point and in its sole discretion to continue to work with one or more of the bidders as ISAC shall determine to be in its best interests as set forth below. *All questions or requests for information regarding this portfolio bid should be in writing and should be directed to the Morgan Stanley representatives listed above. Please DO NOT contact ISAC management or any officials or related parties at the State of Illinois.*

### **Bid Process**

The bid process will be comprised of two phases. Phase 1 of the process, the initial bidding round, is outlined above. Phase 1 Respondents must comply with the instructions outlined above in order to be eligible for Phase 2. Those that qualify for Phase 2 will be notified no later than Wednesday, January 10<sup>th</sup> and will be provided with portfolio servicer tapes. ISAC anticipates financial close pursuant to a definitive loan sale no later than Wednesday, January 24<sup>th</sup>. Though there will be no restriction as to the number of Respondents who qualify for Phase 2 of the process, ISAC expects to identify a select group of Respondents (“Qualified Bidders”) who qualify to participate in a final round of bidding based upon such factors as ISAC shall determine.

Phase 1 Respondents will be evaluated based on price and their willingness to bid on all or a portion of the Loan Portfolio and such other factors as ISAC shall determine. **If a bidder elects to submit a bid for the entire portfolio, it should have servicing agreements in place with Nelnet, Inc. (“Nelnet”) and Sallie Mae, Inc. (“Sallie Mae”). If a bidder elects to submit a bid for a portion of the portfolio, it must submit a bid for (i) all but not less than all of the offered loans serviced by Nelnet (and have a servicing agreement in place with Nelnet), (ii) all but not less than all of the offered loans serviced by Sallie Mae (and have a servicing agreement in place with Sallie Mae), (iii) all but not less than all of the offered loans serviced by ISAC’s servicing entity (“IDAPP”) or (iv) any combination of the foregoing.**

### **Life of Loan Servicing and Related Servicing Matters**

Certain of the loans have or may require life of loan servicing with existing servicers. Please confirm whether or not you have in place FFELP servicing agreements with Nelnet and Sallie Mae. The IDAPP-serviced loans do not require life of loan servicing and it is IDAPP’s understanding that these loans may be removed from the IDAPP servicing system. Such loans removed from IDAPP’s servicing system will be removed at the expense of the buyer and it may be necessary for the buyer to enter into an interim servicing agreement with IDAPP until such loans are removed.

### Borrower Benefits

Certain loans have been originated with borrower benefits. As a term of any sale agreement, buyers would be obligated to maintain interest and principal reductions and other borrower benefits which are part of a “borrower benefits” program of ISAC, the terms of which will be fully described in detail and in writing to the buyer.

### No Liability for Costs

The State of Illinois, ISAC and its Advisors and legal counsel are not responsible for costs or damages incurred by Respondents or other interested parties in connection with this portfolio bid process, including, but not limited to costs associated with preparing responses and undertaking such diligence and reviews as a bidder shall determine is necessary.

### ISAC’s Authority to Sell Loans

An Opinion provided by Chapman and Cutler, LLP regarding the State of Illinois Attorney General’s opinion on ISAC’s legal authority to sell loans is attached as **Exhibit 2**.

### Composition of Portfolio for Sale

#### Summary

Principal Balance Outstanding	\$648,587,565
Principal Balance Outstanding - Treasury Bill (SAP) \$	\$53,410,915
Principal Balance Outstanding - Treasury Bill (SAP) %	8%
Principal Balance Outstanding - Commercial Paper (SAP) \$	\$595,176,650
Principal Balance Outstanding - Commercial Paper (SAP) %	92%
Number of Borrowers	42,446
Average Borrower Indebtedness	\$15,280
Number of Loans	75,370
Average Loan Balance	\$8,605
Weighted Average Remaining Term (Months)	249
Weighted Average Annual Borrower Interest Rate	4.73%

#### Loan Servicer

Servicer	Current Principal Bal.	% of Current Principal Bal.
Sallie Mae	\$123,159,066	19.0%
Nelnet	98,036,252	15.1%
IDAPP	427,392,247	65.9%
<b>Total</b>	<b>\$648,587,565</b>	<b>100.0%</b>

#### Loan Type

Type	Current Principal Bal.	% of Current Principal Bal.	Number of Loans	Number of Borrowers	Avg. Borrower Indebtedness
Consolidation	\$518,861,273	80.0%	30,825	16,964	\$30,586
Subsidized Stafford	74,112,326	11.4%	29,587	15,728	4,712
Unsubsidized Stafford	50,124,629	7.7%	13,477	8,630	5,808
PLUS	4,198,023	0.6%	1,019	737	5,696
SLS	1,291,315	0.2%	462	387	3,337
<b>Total</b>	<b>\$648,587,565</b>	<b>100.0%</b>	<b>75,370</b>	<b>42,446</b>	<b>\$15,280</b>

Detailed portfolio statistics by servicer are provided on the following pages.

Note: The portfolio statistics above are based on data from loan servicer tapes. Totals may not foot due to rounding.

**Portfolio Statistics - Sallie Mae-serviced Portfolio (data as of November 30, 2006)**

**Loan Type**

Type	Current Principal Bal.	% of Current Principal Bal.	Number of Loans	Number of Borrowers	Avg. Borrower Indebtedness	Rem. Term (Months)	Weighted Avg. Borrower Rate
Consolidation	\$101,113,197	82.1%	6,802	3,801	\$26,602	248	4.42%
Subsidized Stafford	12,230,198	9.9%	5,033	3,083	3,967	126	7.18%
Unsubsidized Stafford	7,791,143	6.3%	2,736	1,927	4,043	128	7.18%
PLUS	1,933,172	1.6%	403	285	6,783	97	8.07%
SLS	91,356	0.1%	40	32	2,855	70	8.35%
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>	<b>9,128</b>	<b>\$13,492</b>	<b>226</b>	<b>4.93%</b>

**Loan Status**

Status	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
School	\$4,904,922	4.0%	1,629
Grace	575,692	0.5%	192
Repayment	85,430,744	69.4%	10,239
Deferment	17,981,886	14.6%	1,773
Forbearance	14,265,822	11.6%	1,181
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>

**Borrower Interest Rates**

Interest Rate	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
2.51% - 3.00%	\$18,303,562	14.9%	1,139
3.01% - 3.50%	22,576,537	18.3%	1,719
3.51% - 4.00%	10,805,923	8.8%	672
4.01% - 4.50%	14,852,352	12.1%	997
4.51% - 5.00%	9,719,802	7.9%	664
5.01% - 5.50%	6,174,771	5.0%	502
5.51% - 6.00%	2,344,112	1.9%	120
6.01% - 6.50%	3,398,363	2.8%	200
6.51% - 7.00%	10,368,020	8.4%	2,489
7.01% - 7.50%	8,674,717	7.0%	2,552
7.51% - 8.00%	11,151,371	9.1%	3,402
8.01% - 8.50%	4,789,537	3.9%	558
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>

**Current Principal Balance Distribution**

Principal Balance	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
\$0.00 - \$4,999.99	\$18,048,970	14.7%	8,310
\$5,000.00 - \$9,999.99	19,386,473	15.7%	2,737
\$10,000.00 - \$14,999.99	18,040,002	14.6%	1,471
\$15,000.00 - \$19,999.99	15,573,522	12.6%	904
\$20,000.00 - \$24,999.99	13,932,938	11.3%	624
\$25,000.00 - \$29,999.99	8,457,196	6.9%	312
\$30,000.00 - \$34,999.99	7,320,138	5.9%	226
\$35,000.00 - \$39,999.99	4,672,182	3.8%	125
\$40,000.00 - \$44,999.99	3,342,092	2.7%	79
\$45,000.00 - \$49,999.99	2,672,758	2.2%	56
\$50,000.00 - \$54,999.99	2,365,404	1.9%	45
\$55,000.00 - \$59,999.99	1,955,790	1.6%	34
\$60,000.00 - \$64,999.99	1,621,115	1.3%	26
\$65,000.00 - \$69,999.99	880,507	0.7%	13
\$70,000.00 - \$74,999.99	1,009,528	0.8%	14
\$75,000.00 - \$79,999.99	690,899	0.6%	9
\$80,000.00 - \$84,999.99	659,780	0.5%	8
\$85,000.00 - \$89,999.99	437,479	0.4%	5
\$90,000.00 - \$94,999.99	188,666	0.2%	2
\$95,000.00 - \$99,999.99	97,688	0.1%	1
\$100,000.00 +	1,805,941	1.5%	13
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>

**Borrower Benefit Programs**

	Current		Eligible or Approved	
	Principal Bal.	% of CPB	Principal Bal.	Loans
<b>Consolidation</b>				
0.25% ACH	\$101,113,197	\$12,676,206	12.5%	914
1% at 24 months	\$101,113,197	\$7,421,008	7.3%	471
<b>PLUS</b>				
0.25% ACH	\$1,933,172	\$213,819	11.1%	33
1% at 24 months	\$1,933,172	\$568,991	29.4%	67
2% at 48 months	\$1,933,172	\$558,791	28.9%	72
1% at 24 & 1% at 48	\$1,933,172	\$1,958	0.1%	2
<b>Stafford</b>				
0.25% ACH	\$20,021,341	\$433,932	2.2%	173
1% at 24 months	\$20,021,341	\$2,637,806	13.2%	832
2% at 48 months	\$20,021,341	\$5,841,381	29.2%	1,819
1% at 24 & 1% at 48	\$20,021,341	\$380,345	1.9%	146

**Disbursement Date Range**

Disbursement Date	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
Pre-10/1/93	\$406,761	0.3%	293
10/1/93 to 6/30/06	119,706,413	97.2%	14,289
7/1/06 and later	3,045,892	2.5%	432
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>

**Number of Days Delinquent**

Days Delinquent	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
Current	\$102,430,705	83.2%	12,197
Less than 30 Days	9,647,867	7.8%	1,212
30 to 59 Days	3,856,228	3.1%	485
60 to 89 Days	2,416,562	2.0%	292
90 to 119 Days	1,387,115	1.1%	226
120 to 149 Days	564,950	0.5%	94
150 to 179 Days	706,926	0.6%	138
180 + Days	2,148,714	1.7%	370
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>

**SAP Index Composition**

SAP Index	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
91 Day T-Bill	\$12,367,454	10.0%	4,383
3 Month CP	110,791,612	90.0%	10,631
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>

**Remaining Term Distribution**

Remaining Term (Months)	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
0 - 24	\$719,763	0.6%	1,274
25 - 36	778,108	0.6%	599
37 - 48	965,187	0.8%	513
49 - 60	1,343,872	1.1%	597
61 - 72	1,577,447	1.3%	574
73 - 84	1,533,059	1.2%	463
85 - 96	1,630,873	1.3%	439
97 - 108	2,059,809	1.7%	474
109 - 120	8,288,468	6.7%	1,946
121 - 132	1,899,836	1.5%	330
133 - 144	3,222,586	2.6%	478
145 - 156	2,736,924	2.2%	342
157 - 168	5,932,522	4.8%	699
169 - 180	8,882,705	7.2%	1,002
181 - 192	1,898,860	1.5%	153
193 - 204	3,550,206	2.9%	274
205 - 216	3,939,109	3.2%	279
217 - 228	7,272,068	5.9%	511
229 - 240	18,576,799	15.1%	2,545
241 - 252	1,829,116	1.5%	94
253 - 264	2,159,146	1.8%	104
265 - 276	3,495,512	2.8%	150
277 - 288	4,904,251	4.0%	204
289 - 300	10,802,148	8.8%	445
301 - 312	1,219,648	1.0%	28
313 - 324	2,534,238	2.1%	69
325 - 336	2,656,483	2.2%	66
337 - 348	3,729,948	3.0%	87
349 - 360	12,710,672	10.3%	269
361 +	309,703	0.3%	6
<b>Total</b>	<b>\$123,159,066</b>	<b>100.0%</b>	<b>15,014</b>

Note: The portfolio statistics above are based on data from loan servicer tapes. Totals may not foot due to rounding.

**Portfolio Statistics - Nelinet-serviced Portfolio (data as of December 20, 2006)**

**Loan Type**

Type	Current Principal Bal.	% of Current Principal Bal.	Number of Loans	Number of Borrowers	Avg. Borrower Indebtedness	Rem. Term (Months)	Weighted Avg. Borrower Rate
Consolidation	\$23,009,160	23.5%	1,675	1,513	\$15,208	160	8.33%
Subsidized Stafford	44,085,345	45.0%	17,197	9,489	4,646	105	6.62%
Unsubsidized Stafford	27,733,575	28.3%	8,203	5,229	5,304	110	6.54%
PLUS	2,008,992	2.0%	516	362	5,550	85	8.20%
SLS	1,199,181	1.2%	421	354	3,388	85	8.58%
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>	<b>16,947</b>	<b>\$5,785</b>	<b>119</b>	<b>7.06%</b>

**Loan Status**

Status	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
School	\$12,132,642	12.4%	1,699
Grace	1,037,381	1.1%	159
Repayment	53,571,445	54.6%	17,045
Deferment	17,727,183	18.1%	5,769
Forbearance	13,567,601	13.8%	3,340
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>

**Disbursement Date Range**

Disbursement Date	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
Pre-10/1/93	\$7,635,507	7.8%	1,361
10/1/93 to 6/30/06	90,400,745	92.2%	26,651
7/1/06 and later	0	0.0%	0
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>

**Borrower Interest Rates**

Interest Rate	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
2.51% - 3.00%	\$72,489	0.1%	26
4.51% - 5.00%	96,074	0.1%	27
5.01% - 5.50%	245,879	0.3%	5
5.51% - 6.00%	275,507	0.3%	33
6.01% - 6.50%	364,925	0.4%	28
6.51% - 7.00%	69,642,731	71.0%	23,694
7.01% - 7.50%	2,480,818	2.5%	1,248
7.51% - 8.00%	9,684,895	9.9%	1,262
8.01% - 8.50%	4,222,019	4.3%	988
8.51% +	10,950,914	11.2%	701
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>

**Number of Days Delinquent**

Days Delinquent	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
Current	\$74,641,588	76.1%	21,091
Less than 30 Days	7,188,953	7.3%	1,964
30 to 59 Days	3,845,726	3.9%	1,140
60 to 89 Days	2,308,367	2.4%	678
90 to 119 Days	1,270,892	1.3%	369
120 to 149 Days	1,255,143	1.3%	326
150 to 179 Days	1,358,699	1.4%	319
180 + Days	6,166,884	6.3%	2,125
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>

**SAP Index Composition**

SAP Index	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
91 Day T-Bill	\$34,906,217	35.6%	8,218
3 Month CP	63,130,036	64.4%	19,794
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>

**Remaining Term Distribution**

Remaining Term (Months)	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
0 - 24	\$529,464	0.5%	498
25 - 36	809,065	0.8%	420
37 - 48	1,230,851	1.3%	528
49 - 60	3,465,469	3.5%	1,715
61 - 72	4,060,703	4.1%	1,765
73 - 84	4,732,527	4.8%	1,754
85 - 96	6,801,517	6.9%	2,439
97 - 108	11,004,539	11.2%	3,881
109 - 120	50,749,069	51.8%	14,436
121 - 132	1,086,748	1.1%	60
133 - 144	1,394,956	1.4%	67
145 - 156	886,351	0.9%	46
157 - 168	1,770,468	1.8%	75
169 - 180	1,124,282	1.1%	39
181 - 192	725,439	0.7%	31
193 - 204	484,858	0.5%	22
205 - 216	1,137,628	1.2%	42
217 - 228	997,241	1.0%	30
229 - 240	827,126	0.8%	31
241 - 252	311,674	0.3%	7
253 - 264	589,373	0.6%	14
265 - 276	660,787	0.7%	22
277 - 288	596,922	0.6%	18
289 - 300	558,300	0.6%	44
301 - 312	121,280	0.1%	3
313 - 324	362,143	0.4%	8
325 - 336	467,030	0.5%	10
337 - 348	178,378	0.2%	2
349 - 360	372,063	0.4%	5
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>

**Current Principal Balance Distribution**

Principal Balance	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
\$0.00 - \$4,999.99	\$49,141,763	50.1%	23,201
\$5,000.00 - \$9,999.99	22,301,765	22.7%	3,339
\$10,000.00 - \$14,999.99	10,225,095	10.4%	948
\$15,000.00 - \$19,999.99	2,872,279	2.9%	166
\$20,000.00 - \$24,999.99	2,074,736	2.1%	93
\$25,000.00 - \$29,999.99	2,016,308	2.1%	73
\$30,000.00 - \$34,999.99	1,674,888	1.7%	52
\$35,000.00 - \$39,999.99	1,305,248	1.3%	35
\$40,000.00 - \$44,999.99	1,049,577	1.1%	25
\$45,000.00 - \$49,999.99	808,821	0.8%	17
\$50,000.00 - \$54,999.99	733,208	0.7%	14
\$55,000.00 - \$59,999.99	746,181	0.8%	13
\$60,000.00 - \$64,999.99	566,813	0.6%	9
\$65,000.00 - \$69,999.99	204,245	0.2%	3
\$70,000.00 - \$74,999.99	222,018	0.2%	3
\$75,000.00 - \$79,999.99	390,014	0.4%	5
\$80,000.00 - \$84,999.99	495,220	0.5%	6
\$85,000.00 - \$89,999.99	173,711	0.2%	2
\$90,000.00 - \$94,999.99	184,643	0.2%	2
\$100,000.00 +	849,719	0.9%	6
<b>Total</b>	<b>\$98,036,252</b>	<b>100.0%</b>	<b>28,012</b>

**Borrower Benefit Programs**

	Current				Benefits Earned		
	Principal Bal.	Eligible for Incentive Principal Bal.	% of CPB	Borrowers	Principal Bal.	% of CPB	Borrowers
<b>Consolidation</b>							
None	\$23,009,160	n/a	n/a	n/a	n/a	n/a	n/a
<b>PLUS</b>							
0.25% ACH	\$2,008,992	\$72,172	3.6%	11	\$0	0.0%	0
1% at 24 months	\$2,008,992	\$72,172	3.6%	11	\$4,524	0.2%	1
1% at 48 months	\$2,008,992	\$72,172	3.6%	11	\$0	0.0%	0
<b>Stafford</b>							
0.25% ACH	\$71,818,920	\$57,451,707	80.0%	9,940	\$412,490	0.6%	84
1% at 24 months	\$71,818,920	\$69,616,186	96.9%	10,821	\$1,804,185	2.5%	428
1% at 48 months	\$71,818,920	\$29,756,240	41.4%	4,321	\$0	0.0%	0

Note: The portfolio statistics above are based on data from loan servicer tapes. Totals may not foot due to rounding.

**Portfolio Statistics - IDAPP-serviced Portfolio (data as of December 20, 2006)**

**Loan Type**

Type	Current Principal Bal.	% of Current Principal Bal.	Number of Loans	Number of Borrowers	Avg. Borrower Indebtedness	Rem. Term (Months)	Weighted Avg. Borrower Rate
Consolidation	\$394,738,916	92.4%	22,348	11,650	\$33,883	291	3.93%
Subsidized Stafford	17,796,783	4.2%	7,357	3,156	5,639	102	6.88%
Unsubsidized Stafford	14,599,911	3.4%	2,538	1,474	9,905	116	6.58%
PLUS	255,859	0.1%	100	90	2,843	61	7.94%
SLS	778	0.0%	1	1	778	8	8.34%
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>	<b>16,371</b>	<b>\$26,107</b>	<b>277</b>	<b>4.14%</b>

**Loan Status**

Status	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
School	\$14,940,923	3.5%	1,861
Grace	1,377,636	0.3%	303
Repayment	250,270,596	58.6%	20,085
Deferment	142,081,059	33.2%	8,748
Forbearance	18,722,033	4.4%	1,347
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>

**Borrower Interest Rates**

Interest Rate	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
2.51% - 3.00%	\$146,082,520	34.2%	7,021
3.01% - 3.50%	54,115,969	12.7%	2,745
3.51% - 4.00%	18,420,385	4.3%	908
4.01% - 4.50%	13,653,585	3.2%	710
4.51% - 5.00%	116,608,956	27.3%	7918
5.01% - 5.50%	23,106,529	5.4%	1,737
5.51% - 6.00%	3,918,916	0.9%	167
6.01% - 6.50%	15,992,256	3.7%	979
6.51% - 7.00%	28,299,797	6.6%	4709
7.01% - 7.50%	3,072,887	0.7%	1,859
7.51% - 8.00%	3,050,373	0.7%	2,596
8.01% - 8.50%	963,363	0.2%	867
8.51% +	106,712	0.0%	128
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>

**Current Principal Balance Distribution**

Principal Balance	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
\$0.00 - \$4,999.99	\$17,230,639	4.0%	10,125
\$5,000.00 - \$9,999.99	56,700,325	13.3%	7,292
\$10,000.00 - \$14,999.99	57,010,474	13.3%	4,928
\$15,000.00 - \$19,999.99	59,118,991	13.8%	3,425
\$20,000.00 - \$24,999.99	46,918,878	11.0%	2,130
\$25,000.00 - \$29,999.99	35,950,020	8.4%	1,328
\$30,000.00 - \$34,999.99	35,127,900	8.2%	1,088
\$35,000.00 - \$39,999.99	20,745,522	4.9%	551
\$40,000.00 - \$44,999.99	16,338,072	3.8%	385
\$45,000.00 - \$49,999.99	13,491,513	3.2%	284
\$50,000.00 - \$54,999.99	8,475,015	2.0%	162
\$55,000.00 - \$59,999.99	7,120,375	1.7%	124
\$60,000.00 - \$64,999.99	4,433,285	1.0%	71
\$65,000.00 - \$69,999.99	4,881,056	1.1%	73
\$70,000.00 - \$74,999.99	1,806,812	0.4%	25
\$75,000.00 - \$79,999.99	2,324,274	0.5%	30
\$80,000.00 - \$84,999.99	1,555,486	0.4%	19
\$85,000.00 - \$89,999.99	1,575,886	0.4%	18
\$90,000.00 - \$94,999.99	2,034,021	0.5%	22
\$95,000.00 - \$99,999.99	2,446,521	0.6%	25
\$100,000.00 +	32,107,182	7.5%	239
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>

**Disbursement Date Range**

Disbursement Date	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
Pre-10/1/93	\$2,442,686	0.6%	2,503
10/1/93 to 6/30/06	421,388,749	98.6%	29,570
7/1/06 and later	3,560,812	0.8%	271
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>

**Number of Days Delinquent**

Days Delinquent	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
Current	\$395,938,227	92.6%	28,859
Less than 30 Days	19,101,324	4.5%	1,753
30 to 59 Days	5,882,279	1.4%	677
60 to 89 Days	2,863,587	0.7%	340
90 to 119 Days	1,287,241	0.3%	164
120 to 149 Days	656,150	0.2%	122
150 to 179 Days	398,049	0.1%	132
180 + Days	1,265,390	0.3%	297
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>

**SAP Index Composition**

SAP Index	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
91 Day T-Bill	\$6,137,244	1.4%	5,643
3 Month CP	421,255,003	98.6%	26,701
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>

**Remaining Term Distribution**

Remaining Term (Months)	Current Principal Bal.	% of Current Principal Bal.	Number of Loans
0 - 24	\$651,534	0.2%	1,581
25 - 36	727,461	0.2%	1,011
37 - 48	988,525	0.2%	868
49 - 60	832,102	0.2%	677
61 - 72	878,839	0.2%	637
73 - 84	781,058	0.2%	435
85 - 96	972,656	0.2%	352
97 - 108	2,719,507	0.6%	752
109 - 120	29,425,649	6.9%	4,952
121 - 132	1,135,027	0.3%	207
133 - 144	4,026,634	0.9%	667
145 - 156	416,750	0.1%	45
157 - 168	10,768,076	2.5%	1,240
169 - 180	31,765,484	7.4%	3,430
193 - 204	14,831	0.0%	1
205 - 216	1,786,216	0.4%	122
217 - 228	23,755,603	5.6%	1,585
229 - 240	65,250,372	15.3%	4,794
241 - 252	18,735	0.0%	1
253 - 264	8,328	0.0%	1
265 - 276	1,795,336	0.4%	84
277 - 288	17,161,849	4.0%	759
289 - 300	46,087,772	10.8%	2,301
325 - 336	3,320,805	0.8%	105
337 - 348	42,344,717	9.9%	1,254
349 - 360	139,758,381	32.7%	4,483
<b>Total</b>	<b>\$427,392,247</b>	<b>100.0%</b>	<b>32,344</b>

**Borrower Benefit Programs**

	Current		Eligible for Incentive		Benefits Earned	
	Principal Bal.	Principal Bal.	% of CPB	Borrowers	Principal Bal.	% of CPB
<b>Consolidation</b>						
0.25% ACH	\$394,738,916	\$394,738,916	100.0%	11,663	\$70,840,857	17.9%
1% at 24 months	\$394,738,916	\$1,160,506	0.3%	68	\$1,160,506	0.3%
1% at 36 months	\$394,738,916	\$394,709,500	100.0%	11,660	\$10,194,862	2.6%
1% at 48 months	\$394,738,916	\$610,332	0.2%	46	\$610,332	0.2%
<b>PLUS</b>						
1% at 24 months	\$255,859	\$254,978	99.7%	90	\$109,669	42.9%
1% at 48 months	\$255,859	\$254,978	99.7%	90	\$92,049	36.0%
<b>Stafford</b>						
0.25% ACH	\$32,396,694	\$27,522,615	85.0%	5,106	\$428,165	1.3%
1% at 24 months	\$32,396,694	\$23,501,861	72.5%	3,427	\$52,852	0.2%
1% at 48 months	\$32,396,694	\$27,522,615	85.0%	5,106	\$332,209	1.0%

Note: The portfolio statistics above are based on data from loan servicer tapes. Totals may not foot due to rounding.

# EXHIBIT 1

## Preliminary Portfolio Bid Form

All portfolio bid submissions must follow the format outlined below.

### Bidder Contact Information

Company: \_\_\_\_\_

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

Contact Phone: \_\_\_\_\_

Contact Email: \_\_\_\_\_

### Sallie Mae-serviced Portfolio

Loan Type	Principal Balance (As of Nov. 30, 2006)	Preliminary Portfolio Bid (%)	Preliminary Portfolio Bid (\$)
Consolidation	\$101,113,197	%	\$
Subsidized Stafford	\$12,230,198	%	\$
Unsubsidized Stafford	\$7,791,143	%	\$
PLUS / SLS	\$2,024,528	%	\$
<b>Total</b>	<b>\$123,159,066</b>		<b>\$</b>

Do you have a FFELP servicing agreement in place with Sallie Mae (please circle one): Yes / No

### Nelnet-serviced Portfolio

Loan Type	Principal Balance (As of Dec. 20, 2006)	Preliminary Portfolio Bid (%)	Preliminary Portfolio Bid (\$)
Consolidation	\$23,009,160	%	\$
Subsidized Stafford	\$44,085,345	%	\$
Unsubsidized Stafford	\$27,733,575	%	\$
PLUS / SLS	\$3,208,173	%	\$
<b>Total</b>	<b>\$98,036,252</b>		<b>\$</b>

Do you have a FFELP servicing agreement in place with Nelnet (please circle one): Yes / No

### IDAPP-serviced Portfolio

Loan Type	Principal Balance (As of Dec. 20, 2006)	Preliminary Portfolio Bid (%)	Preliminary Portfolio Bid (\$)
Consolidation	\$394,738,916	%	\$
Subsidized Stafford	\$17,796,783	%	\$
Unsubsidized Stafford	\$14,599,911	%	\$
PLUS / SLS	\$256,637	%	\$
<b>Total</b>	<b>\$427,392,247</b>		<b>\$</b>

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

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

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

Note: All portfolio bids will be considered non-binding and subject to bidder due diligence.

## EXHIBIT 2

**Opinion of Chapman and Cutler LLP.** Chapman and Cutler LLP has from time to time served as Bond Counsel and Special Counsel to the Commission on various matters, including bond financings and interpretations of relevant applicable law. We are rendering this opinion in our capacity as Special Counsel to the Commission solely for the purpose of analyzing the hereinafter described Attorney General's Opinion. We express no opinion herein as to the validity or enforceability of any particular transaction of the Commission.

At the request of the Commission, we have reviewed the opinion dated October 20, 2006, of the Attorney General of the State of Illinois (the "*Attorney General's Opinion*") relating to (a) the authority of the Commission to sell its entire student loan portfolio in a manner which results in the discontinuance of the Commission's secondary market program, (b) the authority of the Commission to sell one of its administrative programs, such as its secondary market program and (c) the proper disposition of surplus funds generated from a loan sale if the Commission has the authority to proceed with a transaction contemplated by (a) or (b). It is important to note that a well reasoned opinion of the Illinois Attorney General, such as the Attorney General's Opinion, is entitled to considerable weight in resolving a question of first impression, but does not have the force and effect of law and is not binding on the courts.

We have also discussed with representatives of the Commission the strategic alternatives currently contemplated by the Commission, including the sale of the loan portfolio described in the attached bid form dated December 22, 2006. Based upon our review of applicable law, we are of the opinion that the conclusions set forth in the Attorney General's Opinion that (i) the Commission does not have the authority to sell its loan portfolio in a manner which would result in the discontinuance of its secondary market program, (ii) the Commission does not have the authority to sell any program that it has established and administers pursuant to applicable law and (iii) any surplus funds received by the Commission from the sale of its loan portfolio which results in all of the bonds of the Commission having been paid or provided for must be deposited in the Student Loan Operating Fund of the Commission, are accurate under the laws of the State of Illinois now in force.

We have reviewed the attached bid form, and representatives of the Commission have described to us the transactions currently contemplated by the Commission in connection with this bid form, and we are of the opinion that these transactions, including the sale of a portion of the loans of the Commission in a manner which does not result in the discontinuance of the secondary market program, are consistent with the legal conclusions reached in the Attorney General's Opinion.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date of the bid form, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.