

AGENDA ITEM 6.

AMENDMENT TO CREDIT AGREEMENT

Submitted for: Action

Summary: ISAC has previously entered into a Credit Agreement dated as of June 22, 2006 with J. P. Morgan Chase Bank and Bank of America, N.A. serving as lenders and Bank of America, N.A. in its capacity as agent bank (the "Credit Agreement").

Staff is recommending that we amend the Credit Agreement to, among other things, extend the termination date until October 21, 2007.

Copies of the First Amendment to Credit Agreement and other related documents have been provided to the Commissioners under separate cover.

Action requested: That the Commission adopt the following resolution:

"BE IT RESOLVED that the Commissioners of the Illinois Student Assistance Commission hereby ratify and approve the execution and delivery by the Executive Director of a First Amendment to Credit Agreement in the form previously submitted to the Commissioners and certain other documents necessary to consummate the transactions contemplated therein, with such changes as shall be approved by the Executive Director; and

"BE IT FURTHER RESOLVED that the Executive Director is authorized to execute and deliver one or more additional extensions of said Credit Agreement for time periods that shall not extend beyond June 21, 2008."

FIRST AMENDMENT TO CREDIT AGREEMENT

This First Amendment to Credit Agreement (herein, the "*Amendment*") is dated as of June ____, 2007, among the Illinois Student Assistance Commission, a commission of the State of Illinois (the "*Borrower*"), each Lender from time to time party to the Credit Agreement (as hereinafter defined) (collectively, "*Lenders*" and individually, a "*Lender*"), and Bank of America, N.A., as Administrative Agent (the "*Administrative Agent*").

PRELIMINARY STATEMENTS

A. The Borrower, the Lenders and the Administrative Agent entered into that certain Credit Agreement dated as of June 22, 2006 (the "*Credit Agreement*"). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

B. The Borrower has requested that the Lenders extend the Maturity Date of the Credit Agreement, and the Lenders are willing to do so under the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION-1. AMENDMENTS.

Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Credit Agreement shall be and hereby is amended as follows:

1.1. The definition of "*Maturity Date*" appearing in Section 1.01 of the Credit Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

"Maturity Date" means October 19, 2007.

1.2. Section 5.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Section 5.01. Existence, Qualification and Power; Compliance with Laws. The Borrower is a commission of the State of Illinois and is duly organized and validly existing under the laws and constitution of the State of Illinois, has the requisite power to carry on its present and proposed activities, and has full power, right and authority for and has taken or caused to be taken all necessary legal action and all other steps necessary to authorize the execution, adoption and due performance and delivery of this Agreement and the Related Documents. The Borrower is an "eligible lender" under the Higher Education Act.

1.3. The first sentence of Section 10.04(b) of the Credit Agreement is hereby amended by inserting the following clause in at the beginning of the first sentence thereof:

To the extent permitted by applicable law,

1.4. Section 10.13 of the Credit Agreement is hereby amended by inserting the following sentence at the beginning thereof:

To the extent permitted by applicable law:

SECTION-2. CONDITIONS PRECEDENT.

The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

2.1. The Borrower, the Lenders and the Administrative Agent shall have executed and delivered this Amendment.

2.2. The Administrative Agent shall have received copies (executed or certified, as may be appropriate) of all legal documents or proceedings taken in connection with the execution and delivery of this Amendment to the extent the Administrative Agent or its counsel may reasonably request.

2.3. Legal matters incident to the execution and delivery of this Amendment shall be satisfactory to the Administrative Agent and its counsel, and the Administrative Agent shall have received the favorable written opinion of counsel for the Borrower in form and substance satisfactory to the Administrative Agent and its counsel.

SECTION-3. REPRESENTATIONS.

In order to induce the Lenders and the Administrative Agent to execute and deliver this Amendment, the Borrower hereby represents to the Lenders and the Administrative Agent that as of the date hereof the representations and warranties set forth in Article V of the Credit Agreement are and shall be and remain true and correct and the Borrower is in compliance with the terms and conditions of the Credit Agreement and no Default or Event of Default has occurred and is continuing under the Credit Agreement or shall result after giving effect to this Amendment.

SECTION-4. MISCELLANEOUS.

4.1. Except as specifically amended herein, the Credit Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in the Credit Agreement, any Note, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby.

4.2. The Borrower agrees to pay on demand all costs and expenses of or incurred by the Lenders and the Administrative Agent in connection with the negotiation, preparation, execution and delivery of this Amendment, including the fees and expenses of counsel for the Lenders and the Administrative Agent.

4.3. This Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. This Amendment and the Credit Agreement, as amended hereby, shall be governed by and construed in accordance with the laws of the State of Illinois.

[SIGNATURE PAGE TO FOLLOW]

This First Amendment to Credit Agreement is entered into as of the date and year first above written.

ILLINOIS STUDENT ASSISTANCE COMMISSION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Accepted and agreed to.

BANK OF AMERICA, N.A., as Administrative
Agent

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A., as a Lender

By: _____
Name: _____
Title: _____

JPMORGAN CHASE BANK, N.A., as a Lender

By: _____
Name: _____
Title: _____