

On December 23, 2011, President Obama signed the Consolidated Appropriations Act, 2012 (Public Law 112-74.) The Act gives Federal Family Education Loan (FFEL) Program lenders the option to have special allowance payments calculated using the average of the bond equivalent rates of the quotes of the 1-month London Inter Bank Offered Rate (LIBOR) for the calendar quarter beginning April 1, 2012 and each subsequent quarter. The LIBOR rate would replace the current 3-month financial Commercial Paper (CP) rate.

Northstar Education Finance, Inc (“The Holder”) owns a beneficial ownership interest in Federal Family Education Loan Program (FFELP) Loans that were first disbursed on or after January 1, 2000 and before July 1, 2010 and has filed an election (see CP waiver/election-Holder) to have special allowance on the loans described here for the calendar quarter beginning on April 1, 2012 and each subsequent calendar quarter calculated pursuant to section 438(b)(2)(I)(vii) (here, the LIBOR rate).

On March 23, 2012, the request for election was approved by the DOE (see below).

From: FSA LR [mailto:FSA_LR@ed.gov]
Sent: Friday, March 23, 2012 2:53 PM
To: Seifert, Kate; FSA LR
Subject: RE: LIBOR Waiver and Election
Importance: High

We have reviewed your waiver for lender 833529 and have approved it. Should you have any additional questions please do not hesitate to contact us.

Thank you,

Accounting Operations

From: Seifert, Kate [<mailto:kate.seifert@nseds.com>]
Sent: Thursday, March 22, 2012 4:49 PM
To: FSA LR
Subject: LIBOR Waiver and Election