College Loan
CLC Corporation

July 7, 2009

Statement from College Loan Corporation

Current Environment

The asset-backed and auction rate securities market functioned effectively for more than 20 years and the auction rate market alone grew to more than $330 billion of outstandings. However, in the wake of the subprime mortgage and credit crisis, most auctions, including those for federally guaranteed student loan backed auction rate securities ("ARS"), began failing in February 2008, as broker-dealers stopped providing liquidity to the auctions they managed.. As a result, most auctions for student loan backed ARS, including those sponsored by College Loan Corporation ("CLC"), have failed continuously since that time. Pursuant to the indentures governing CLC's ARS, in the event of an auction failure, the interest rate for the subsequent period becomes the maximum auction rate. We cannot determine whether any successful auctions will occur in the future for student loan backed ARS.

The dislocation in the capital markets and the subsequent intervention by the federal government in the commercial paper markets has resulted in abnormally low federal subsidies for the underlying student loans. This has reduced significantly the revenue received by the CLC sponsored trusts. While proposals have been introduced in Congress to address this situation, no assurance can be given that any change will be implemented or, if implemented, in what form it will take.

Commencing July 1, 2009, most FFELP loan borrowers are eligible for income based repayment. Income based repayment is intended to be used by borrowers with lower income levels relative to their debt outstanding, to assist with debt service. It provides that loan principal repayment could be extended up to a period of 25 years from the current 10 year maximum for Stafford and student PLUS loans. Unpaid principal at the end of 25 years is forgiven. We are unable to determine how many borrowers will avail themselves of this option, which could also be impacted by the economic environment.

These developments have adversely affected trusts with student loan collateral and ARS nationwide. As a result of these and other issues, there have been an unprecedented number of negative ratings actions by the ratings agencies on such trusts. To date, none of the CLC sponsored trusts have experienced any negative ratings actions. However, we can make no representation or assurance regarding any future ratings changes to the CLC sponsored trusts.

Liquidity and Potential Liquidity Options

The credit crisis has created a large dislocation in all US credit markets. As a result there has been a significant reduction in the liquidity of all non-federal debt instruments. College Loan Corporation Trust I and College Loan Corporation Trust II currently have three types of student loan backed debt outstanding: LIBOR-indexed Floating Rate Notes ("FRN's"), Reset-Rate Notes ("RRNs") and ARS. Currently, market liquidity appears to be most severely reduced for RRNs and ARS. Starting in April, 2009, two RRNs in College Loan Corporation Trust I experienced failed remarketings. There can be no assurance of future successful remarketings of these securities.

The indentures under which these notes were issued permit the respective trust to use certain available funds to acquire notes in the open market from willing sellers. Any purchases will be made at discount to par, at negotiated prices, and each trust may only acquire securities that it issued. All notes purchased by a trust will be cancelled and not reissued. The trusts will not be purchasing any subordinate ARS at this time.

If you would like more information regarding offering your securities for purchase, please contact either College Loan Corporation, Kildare Capital or SecondMarket at the email or phone numbers below.

Thank you,

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CLC encourages all investors to contact their original broker-dealer to see if they are eligible for any program covering any ARS they own