Asset-Backed
Presale Report

College Loan Corp. Trust I, Series 2004-1

Expected Ratings

$293,000,000 Class A-1 Student Loan Asset-Backed Senior Notes .... AAA
$307,000,000 Class A-2 Student Loan Asset-Backed Senior Notes .... AAA
$400,000,000 Class A-3 Student Loan Asset-Backed Senior Notes .... AAA
$200,000,000 Class A-4 Student Loan Asset-Backed Senior Notes .... AAA
$100,000,000 Class B Student Loan Asset-Backed Subordinate Notes .... A

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The preliminary ratings do not reflect final ratings and are based on information provided by issuers as of April 26, 2004. These preliminary ratings are contingent on final documents conforming to information already received. Collateral may be added or dropped from the portfolio. Ratings are not a recommendation to buy, sell, or hold any security. The prospectus and other offering material should be reviewed prior to any purchase.

■ Summary

Fitch Ratings expects to rate the series 2004-1 notes issued by College Loan Corp. Trust I as listed at left. In addition, Fitch expects to confirm the ratings on the outstanding debt listed in the table on page 6. The expected ratings are based on the high quality of the Federal Family Education Loan Program (FFELP) consolidation loan collateral, the credit enhancement within the trust, and the sound legal structure. The expected ratings reflect the ability of the trust to pay note principal at maturity and timely interest. The expected ratings do not address the ability of the trust to pay carryover interest that may accrue on the auction-rate notes or the ability of the auction-rate noteholders to successfully redeem their notes on any auction date.

The trust has a senior-subordinate structure, and the assets within the trust are cross-collateralized. The credit enhancement for the senior debt will consist of 4.92% subordination, the reserve fund, and excess spread. The subordinate notes will have credit enhancement in the form of the reserve fund and any excess spread. The reserve fund is sized at 0.75% of the notes outstanding, with a minimum of $500,000. At closing, the reserve account requirement will be fully funded with $47.5 million.

Issuance proceeds will be used to acquire approximately $1.287 billion of FFELP consolidation, Stafford, and Parental Loans for Undergraduate Students (PLUS) loans, fund the reserve account with $9.75 million, and pay fees and expenses. Of the $1.287 billion of loans, approximately $1.014 million will be acquired at closing. The remaining funds will be used to acquire loans through Dec. 27, 2004, the end of the acquisition period. At closing, the total parity ratio will be no less than 98.2%, and the senior parity ratio will be no less than 103.3%, calculated with the reserve account.

Interest on the series 2004-1 senior notes will be indexed to the three-month London Interbank Offered Rate (LIBOR) plus a spread to be determined and will be paid quarterly beginning July 26, 2004. Principal on the series 2004-1 senior notes will be paid according to a targeted amortization schedule based on a 4% constant prepayment rate, resulting in 2.98-, 4.97-, 7.09-, and 11.15-year weighted average lives for classes A-1 through A-4, respectively.

For a debt summary including legal final maturity dates and outstanding debt under this indenture, see the table on page 6.

April 27, 2004

Transaction Characteristics

	2004-1A-1	2004-1A-2	2004-1A-3	2004-1A-4	2004-1B
Balance ($)	293,000,000	307,000,000	400,000,000	200,000,000	100,000,000
Interest Rate (%)	3mL + TBD	3mL + TBD	3mL + TBD	3mL + TBD	Auction Rate
Payment Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Monthly
Weighted Average Life (Years)	2.98	4.97	7.09	11.15	11.50
Legal Final Maturity	4/25/11	4/25/24	4/25/34	4/25/34	5/1/44
Expected Rating	'AAA'	'AAA'	'AAA'	'AAA'	'A'
Credit Enhancement (%)					
Subordination	4.92	4.92	4.92	4.92	0.00
Reserve Account*	0.75	0.75	0.75	0.75	0.75

*Sized at 0.75% of all notes, with a minimum of $500,000. 3mL – Three-month London Interbank Offered Rate. TBD – To be determined.

Strengths

- The FFELP student loan collateral is reinsured at 98% of principal and accrued interest by the U.S. Department of Education (ED).
- Prepayment risk is reduced, as the majority of the loans are consolidation loans that currently cannot be consolidated again.
- The basis risk profile is more favorable due to the student loans, with all the special allowance payments (SAP) indexed to the 90-day commercial paper rate.
- The trust has adequate liquidity as a result of a fully funded reserve account at closing, as well as with 71.77% of the student loans in repayment and 47.88% of all loans subsidized.
- ACS Education Services, Inc. (ACS), Great Lakes Higher Education Loan Services, Inc. (Great Lakes), Nelnet Loan Services, Inc. (Nelnet), and Pennsylvania Higher Education Assistance Agency (PHEAA) are experienced servicers for the transaction and are required to repurchase any improperly serviced student loans.

Concerns

- College Loan Corp has a limited operating history beyond the current student loan consolidation trend and a relatively small equity base.
- Although the basis risk profile is more favorable, the trust is still subject to basis risk resulting from a widening in the spread between the assets (with SAP indexed to the 90-day CP rate) and the 28-day auction-rate and LIBOR floating-rate notes.
- Since the trust consists predominantly of FFELP consolidation loans, which have longer repayment terms, the trust is subject to decreased excess spread from the 1.05% annual rebate paid by the loanholder to the ED.

Mitigants

- The company has made progress diversifying its product offering, with approximately one-third of its origination volume now consisting of Stafford and PLUS loans. In addition, College Loan Corp. does not use gain on sale accounting for its securitization, therefore the master trust has significant unrecognized residual value.
- This transaction is structured to address concerns associated with a new student loan company entering the asset-backed securities market. The structure includes third-party servicing and an independent reporting mechanism, with data sent directly to Deutsche Bank Trust Company Americas (Deutsche Bank), the eligible lender trustee.
- During the early years of the transaction, basis risk is mitigated in part by excess spread. In addition, 100% of the student loans receive SAP indexed to the CP rate, resulting in a CP/LIBOR basis, which historically has been less volatile than the U.S. Treasury/Eurodollar (TED) basis.
- Several structural features ensure adequate liquidity to the trust, including a fully funded reserve account and a significant portion of subsidized Stafford loans in the pool.
- Prepayment risk to the floating-rate noteholders is mitigated in part by the auction-rate certificates previously issued by the trust, which can be optionally redeemed at any time. At closing, approximately one-third of the securities outstanding under the trust will be auction-rate notes.

Issuer Overview

The sponsor, College Loan LLC, is a Delaware limited liability company and a wholly owned subsidiary of College Loan Corp., the issuer administrator for the trust. College Loan Corp.'s sole business is originating federally guaranteed student loans under FFELP, and in this capacity, it provides student loans to eligible borrowers in all 50 states and the District of Columbia. College Loan Corp. owned or managed approximately $5.4 billion in student loans as of Feb. 29, 2004.

College Loan Corp. Trust I is a Delaware statutory trust formed under a trust agreement between the sponsor and the Delaware trustee, Wilmington Trust Company, and structured to be bankruptcy remote by restricting the activities in which the trust is authorized to engage, thereby limiting the number of creditors that have the ability to place the trust into involuntary bankruptcy. The property of the trust consists of FFELP student loans, including all interest subsidies, SAP, claim reimbursements, and investment earnings from all trust accounts. In addition, the trust is structured so that its assets would not be consolidated with those of the seller in the event of a seller bankruptcy.

The sponsor also has been structured as a bankruptcy-remote, special purpose entity. Its limited liability company agreement contains certain limitations, including restrictions on the nature of the sponsor's business and the sponsor's ability to commence a voluntary case or proceeding under any insolvency law without the prior unanimous affirmative vote of all its members, including its independent member. The sponsor will own all equity interests in the trust.

Since the trust and the sponsor do not qualify as eligible lenders of federal student loans, Deutsche Bank, in its role as eligible lender trustee, holds legal title to the financed student loans on behalf of the trust. Failure of the student loans to be owned by an eligible lender (such as banks, savings and loan associations, credit unions, and insurance companies) may result in the loss of guarantor and ED reinsurance payments, interest subsidies, and SAP.

■ Transaction Overview

Flow of Funds

On each monthly calculation date, the indenture trustee will disburse available student loan receipts and investment earnings from the collection account in the following order of priority:

- Payments under joint-sharing agreements.
- Guarantee or government rebate fees.
- Trust administration, servicing, and other note fees.
- Senior interest and other senior obligations.
- Senior principal at maturity.
- Subordinate interest.
- Subordinate principal at stated maturity.
- Reserve fund, as required.
- Acquisition fund to purchase add-on loans.
- Retirement fund for targeted redemption of notes.
- Acquisition fund to fund subsequent disbursements of Stafford and PLUS loans.
- Senior carryover amounts, if any.
- Subordinate carryover amounts, provided total parity is 100%.
- Payment of any unpaid amounts due under senior swap agreements.
- Payment of any unpaid amounts due under subordinate swap agreements.
- Optional note redemption, provided total and senior parity is greater than or equal to 101.5% and 107.0%, respectively, with a minimum of $2 million in overcollateralization after taking into account the optional redemption.
- Release to the sponsor, provided total and senior parity will not be less than 101.5% and 107.0%, respectively, with a minimum of $2 million in overcollateralization after taking into account the release.

Uncapped Floating-Rate Notes

The interest on the series 2004-1 senior notes will be indexed to three-month LIBOR plus a spread. Interest will be paid quarterly and computed based on the actual days elapsed during a 360-day year.

The interest rate on the notes will not be subject to an interest rate or available funds cap. Potential basis risk exists between the FFELP loans and all the trust notes, as 100% of the student loans in the collateral pool receive SAP based on the 90-day CP rate while the notes are indexed to three-month LIBOR and the 28-day auction rate. Although the CP/LIBOR basis mismatch has been less volatile than the TED basis mismatch historically, both the TED and CP/LIBOR basis mismatches potentially can erode excess spread, which serves as a source of credit enhancement for the trust.

Note Principal Distributions

The 2004-1A LIBOR-indexed notes will be paid sequentially by maturity date. Senior note principal for the entire master trust will be paid in the following order of priority: first, to the previously issued series 2003-2 notes, to the targeted principal balance schedule; second, prior to the end of the nearest maturing 2004-1A LIBOR-indexed note lockout period, to senior auction-rate bonds as directed by the issuer; and third, to the 2004-1A LIBOR-indexed bonds, provided that total and senior parity is greater than or equal to 101.5% and 107.0%, respectively, and the aggregate value of assets exceeds liabilities by $2 million. The 2004-1A LIBOR-indexed notes principal lockout periods will begin on the closing date and end on the day immediately preceding the quarterly distribution date for each class, as follows:

	End of Lockout Period
Series 2004-1A-1	1/25/05
Series 2004-1A-2	1/25/08
Series 2004-1A-3	10/25/10
Series 2004-1A-4	1/25/15

The 2004-1A LIBOR-indexed notes may only receive principal payments prior to the end of their respective lockout period if all callable senior auction-rate notes and all series 2003-2 notes have been paid in full.

Subordinate notes will not be redeemed while the 2003-2 notes and the LIBOR-indexed 2004-1 notes are outstanding. However, subordinate notes may be redeemed while other senior debt remains outstanding provided the total and senior parity ratios are equal to 100.5% and 107.0%, respectively, upon the redemption of the subordinate debt.

Events of Default

Events of default under the indenture include a failure of the trust to pay in full any amount when due and payable on any obligation, excluding a failure to pay any subordinate obligation when senior obligations are outstanding; commencement of a voluntary or involuntary bankruptcy proceeding by or against the trust; and a default by the trust in the performance of any covenant for 30 days.

Portfolio Collateral Quality

The portfolio of student loans collateralizing the bonds consists mostly of FFELP consolidation loans authorized for origination under the Higher Education Act of 1965. The loans are intended to assist individuals in paying education debt used to finance a post-secondary education. Fitch deems the credit quality of the pool of student loans high, based on the guarantees provided by eligible guarantors and the reinsurance provided by the ED. The total student loan balance as of Feb. 29, 2004 was approximately $5.434 billion and had a weighted average borrower interest rate of 4.302%.

Consolidation loans combine a borrower's individual subsidized and unsubsidized Stafford loans into one loan to be repaid at a fixed interest rate and, generally,

Key Collateral Highlights
(As of Feb. 29, 2004)

Portfolio Balance ($)	5,434,012,711
Average Borrower Balance ($)	21,561
Average Borrower Interest Rate (%)	4.302

FFELP Collateral (%)

Loan Type	
Subsidized Consolidation	44.35
Unsubsidized Consolidation	46.10
Subsidized Stafford	3.53
Unsubsidized Stafford	3.87
PLUS	2.15

Loan Status	
In-School	6.00
Grace	0.69
Forbearance	9.30
Deferment	12.18
Repayment	71.77
Claim	0.07

SAP Interest Rate	
90-Day Commercial Paper Rate	100.00

Repayment Seasoning: 13 months

Collateral Restrictions: No private loans

Servicers: ACS Education Services, Inc., Great Lakes Higher Education Loan Services, Inc., Pennsylvania Higher Education Assistance Agency, and Nelnet Loan Services, Inc.

FFELP – Federal Family Education Loan Program.
PLUS – Parental Loans for Undergraduate Students.
SAP – Special allowance payments.

over a longer period of time. The fixed rate is calculated as the weighted average interest rate on the underlying loans rounded to the nearest 0.125%. The loan term may be extended to 30 years, depending on the loan balance. Consolidation loans have deferment and forbearance terms similar to Stafford loans and will receive the same interest subsidy payments from the ED if the underlying loan is subsidized.

Consolidation loans receive quarterly SAP only when the SAP rate exceeds the borrower's fixed interest rate. For loans disbursed prior to Jan. 1, 2000, the SAP rate is equal to the 91-day U.S. Treasury bill rate plus 3.10%, and for loans disbursed after Jan. 1, 2000, the SAP rate is equal to the 90-day CP rate plus 2.64%. In addition, the loans are subject to a 1.05% annual rebate to the ED, which can decrease excess spread.

The Key Collateral Highlights box above profiles the entire trust as it exists by loan type, loan status, and SAP interest rate. The expected performance of the pool, claim rates, and delinquencies are essentially driven by these portfolio characteristics and used to establish stress assumptions for the cash flows.

■ Servicing

The majority of the student loan portfolio (approximately 90.6%) is currently serviced by ACS (formerly known as AFSA). Great Lakes, Nelnet, and PHEAA service the remaining portion of the student loan pool.

Under the servicing agreement, the servicer is required to repurchase any loans that were improperly serviced or originated. In addition, the servicer will reimburse the trust for any accrued interest amounts not paid by a guarantor under the respective agreement or for any prior interest subsidy payment and SAP that were lost or must be repaid to the ED as a result of a breach in the servicer's covenants.

To collect on the FFELP guarantee, the student loans must be serviced in accordance with ED requirements. The claim is subject to compliance with origination, disbursement, servicing, and claim-filing requirements, according to program guidelines.

Since servicing is essential to maintaining portfolio credit quality, Fitch reviews each servicer participating in a transaction and must be satisfied with their capabilities before rating the transaction. FFELP student loan servicers are subject to compliance audits conducted by a major public accounting firm to verify servicing quality and adherence to the ED's established due diligence procedures.

■ Cash Flow Stress Scenarios

Fitch reviewed cash flow stress scenarios to gauge the financial ability of the transaction to pay timely interest and principal by the legal final maturity dates. A credit stress scenario was run to test the adequacy of the transaction's credit and liquidity strength through stressed levels of loan defaults and prepayments. A maturity stress scenario was run to test the transaction's asset/liability matching by applying stressed levels and durations of student loan deferment and forbearance. Both scenarios incorporated increased interest rate spreads, ED interest subsidy and SAP payment lags, varying levels of deferment and forbearance percentages and durations, servicing cost inflation, and cash release.

The absence of a net loan rate for floating-rate notes exposes the transaction to a greater degree of basis risk and was stressed by applying varied TED and CP/LIBOR spread assumptions to the projected cash flows. Fitch performed an analysis of the TED and CP/LIBOR spreads over a 15-year period, commencing in 1985, to determine the stressed TED and CP/LIBOR spread assumptions used in the cash flow projections.

The transaction was stressed to a greater degree at higher rating categories and performed successfully under all stress scenarios *(see table above)*.

Credit and Maturity Stress

Cash Flow Analysis	Credit Stress	Maturity Stress
Interest Rates (Uncapped)	Yes	Yes
FFELP Defaults	Yes	No
FFELP Recoveries/Servicer Loss	Yes	No
Additional Prepayment Scenario	Yes	Yes
Deferment/Forbearance (Percentages and Durations)	Moderate*	Higher†
ED Interest Subsidy and SAP Lags	Yes	Yes
Borrower Payment Lags	More Current	Less Current
Servicer Cost Inflation	Yes	Yes
Cash Release	Yes	Yes

*Run concurrently. †Run consecutively. FFELP – Federal Family Education Loan Program. ED – U.S. Department of Education. SAP – Special allowance payments.

Issued Debt and Debt Summary

(As of Feb. 29, 2004)

Series	Class	Current Principal Amount ($)	Interest Rate	Final Maturity Date	Rating
2002	A-1	73,500,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	A-3	57,100,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	A-4	73,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	A-5	73,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	A-6	73,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	A-7	73,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	A-8	73,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	A-9	73,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002	B-1	42,000,000	28-Day Auction Rate	3/1/42	‘A’
2002-2	A-10	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-11	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-12	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-13	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-14	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-15	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-16	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-17	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-18	80,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-19	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-20	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-21	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-22	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-23	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-24	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-25	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-26	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-27	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-28	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-29	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	A-30	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2002-2	B-2	40,000,000	28-Day Auction Rate	3/1/42	‘A’
2002-2	B-3	40,000,000	28-Day Auction Rate	3/1/42	‘A’
2002-2	B-4	40,000,000	28-Day Auction Rate	3/1/42	‘A’
2003-1	A-1	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-2	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-3	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-4	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-5	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-6	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-7	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-8	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-9	100,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	A-10	50,000,000	28-Day Auction Rate	3/1/42	‘AAA’
2003-1	B-1	25,000,000	28-Day Auction Rate	3/1/42	‘A’
2003-1	B-2	25,000,000	28-Day Auction Rate	3/1/42	‘A’
2003-2	A-1	273,500,000	Three-Month LIBOR	7/25/08	‘AAA’
2003-2	A-2	646,800,000	Three-Month LIBOR	1/25/12	‘AAA’
2003-2	A-3	308,200,000	Three-Month LIBOR	7/25/13	‘AAA’
Total		5,039,100,000			

LIBOR – London Interbank Offered Rate.