

Asset-Backed
New Issue

College Loan Corp. Trust I, Series 2003-2

Ratings

\$345,000,000 Class 2A-1 Student Loan	
Asset-Backed Senior Notes	AAA
\$646,800,000 Class 2A-2 Student Loan	
Asset-Backed Senior Notes	AAA
\$308,200,000 Class 2A-3 Student Loan	
Asset-Backed Senior Notes	AAA

See page 6 for Outstanding Debt.

Analysts

William D. Nunez
1 212 908-0871
william.nunez@fitchratings.com

Steven R. Moffitt
1 212 908-0676
steven.moffitt@fitchratings.com

Michael R. Dean
1 212 908-0556
michael.dean@fitchratings.com

■ Outlook

Fitch Ratings assigns ratings to the notes issued by College Loan Corp. Trust I, series 2003-2, student loan asset-backed notes as listed at left. In addition, Fitch assigns ratings to the outstanding debt as listed in the table on page 6. The 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 transaction's sound legal structure. The ratings reflect the ability of the trust to pay note principal at maturity and timely interest. The 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 senior debt consists of 4.08% subordination, the reserve fund, and excess spread. The subordinate notes 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 was fully funded with \$39.0 million.

Issuance proceeds were used to acquire approximately \$1.286 billion of FFELP consolidation loans, fund the reserve account with \$9.75 million, and pay fees and expenses. Of the \$1.286 billion used to acquire loans, approximately \$1.010 billion has been acquired since closing, and the remaining funds will be used to acquire loans through April 25, 2004, which is the end of the acquisition period. At closing, the total parity ratio was 98.5%, and the senior parity ratio was 102.7%, calculated with the reserve account.

Interest on the series 2003-2A-1, 2003-2A-2, and 2003-2A-3 senior notes is indexed to the three-month London Interbank Offered Rate (LIBOR) plus 0.03%, 0.14%, and 0.20%, respectively, payable quarterly beginning Jan. 26, 2004. Principal on the series 2003-2A senior notes will be paid according to a targeted amortization schedule based on a constant prepayment rate (CPR) from 0%–13.0% for the series 2003-2A-1, 3.0%–16.0% for the series 2003-2A-2, and 3.0%–30.0% for the series 2003-2A-3 resulting in a 1.17-, 3.00-, and 4.98-year weighted average life, respectively.

For the debt summary and outstanding debt under this indenture, see the table on page 6.

Transaction Characteristics

	Class 2003-2A-1	Class 2003-2A-2	Class 2003-2A-3
Balance (\$)	345,000,000	646,800,000	308,200,000
Interest Rate (%)	3mL + 0.03	3mL + 0.14	3mL + 0.20
Payment Frequency	Quarterly	Quarterly	Quarterly
Weighted Average Life (Years)	1.17	3.00	4.98
Legal Final Maturity	July 25, 2008	Jan. 25, 2012	July 25, 2013
Expected Rating	'AAA'	'AAA'	'AAA'
Credit Enhancement (%)			
Subordination	4.08	4.08	4.08
Reserve Account*	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.

■ 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 of the special allowance payments (SAPs) indexed to the 90-day commercial paper (CP) rate.
- The trust has adequate liquidity as a result of a fully funded reserve account at closing, with 74.18% of the student loans in repayment, and 48.09% 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 the experienced servicers for the transaction and are required to repurchase any improperly serviced student loans.

■ Concerns

- College Loan Corp. (CLC) is a relatively new student loan company, with limited operating history beyond the current student loan consolidation trend, and has 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 rates 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

- 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 utilizes an independent reporting mechanism, with data sent directly to Deutsche Bank Trust Company Americas (Deutsche Bank), the eligible lender trustee, verification agent, and back-up administrator.
- During the early years of the transaction, basis risk was 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 has historically 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 75% 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 wholly owned subsidiary of CLC, the issuer administrator for the trust. CLC's sole business is originating federally guaranteed student loans under FFELP, with an emphasis on consolidation loans. CLC provides student loans to eligible borrowers in all 50 states and Washington, D.C. and currently owns or manages approximately \$4.4 billion in student loans as of July 31, 2003.

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 that the trust is authorized to engage in, thereby limiting the number of creditors that have the ability to place the corporation 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 special purpose company is structured so that its assets would not be consolidated with those of the seller in the event of a seller bankruptcy.

The sponsor has also 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 Parental Loans for Undergraduate Students 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 less than or equal to 101.5% and 107.0%, respectively.
- 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 after taking into account the release.

Uncapped Floating-Rate Notes

The series 2003-2A-1, 2003-2A-2, and 2003-2A-3 note interest is indexed to three-month LIBOR plus 0.03%, 0.14%, and 0.20%, respectively. Interest is 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 the notes, as 100% of the student loans in the collateral pool receive SAP based on the 90-day CP, while the notes are indexed to three-month LIBOR. 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

Note principal will be paid sequentially, starting with series 2003-2A-1. Series 2003-2A-2 note principal will not be paid until series 2003-2A-1 note principal is paid in full. On each quarterly distribution date, the indenture trustee (Deutsche Bank) will redeem series 2003-2A-1 senior notes up to the amount needed to reduce their outstanding principal balance to the targeted amount listed in the table on page 5. The series 2003-2A notes will not receive any payments of principal exceeding the amount needed to reduce the outstanding principal balance to the targeted balance listed in the table on page 5.

To the extent the series 2003-2A-1 notes are no longer outstanding, amounts in the retirement account will be

used to redeem the series 2003-2A-2 notes, followed by the redemption of the series 2003-2A-3 notes, provided that total and senior parity is less than or equal to 101.5% and 107.0%, respectively, and the aggregate value of assets exceeds liabilities by \$2 million.

Subordinate notes will not be redeemed while senior debt remains outstanding unless the total and senior parity ratio is 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 their 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 July 31, 2003 is approximately \$3.88 billion and has a weighted average borrower interest rate of 4.58%.

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, 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

Key Collateral Highlights

(As of July 31, 2003)

Portfolio Balance (\$)	3,884,092,791
Average Borrower Balance (\$)	23,544
Average Borrower Interest Rate (%)	4.584

FFELP Collateral (%)

Loan Type

Subsidized Consolidation	45.79
Unsubsidized Consolidation	48.67
Subsidized Stafford	2.30
Unsubsidized Stafford	2.39
PLUS	0.85

Loan Status

In School	3.78
Grace	0.57
Forbearance	10.05
Deferment	11.23
Repayment	74.18
Claim	0.18

Repayment Seasoning: 11 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.

SAP Interest Rate (%)

90-Day Commercial Paper + 2.64	100.00
--------------------------------	--------

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

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 86.8%, is 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. 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

Quarterly Note Principal Distribution

Distribution Date	2003-2A-1 Targeted Balance (\$)	2003-2A-2 Targeted Balance (\$)	2003-2A-3 Targeted Balance (\$)
1/25/04	345,000,000	646,800,000	308,200,000
4/25/04	314,500,000	646,800,000	308,200,000
7/25/04	273,500,000	646,800,000	308,200,000
10/25/04	224,300,000	646,800,000	308,200,000
1/25/05	175,100,000	646,800,000	308,200,000
4/25/05	125,700,000	646,800,000	308,200,000
4/25/05	75,000,000	646,800,000	308,200,000
10/25/05	25,000,000	646,800,000	308,200,000
1/25/06	0	591,200,000	308,200,000
4/25/06	0	511,900,000	308,200,000
7/25/06	0	430,900,000	308,200,000
10/25/06	0	349,700,000	308,200,000
1/25/07	0	268,600,000	308,200,000
4/25/07	0	186,800,000	308,200,000
7/25/07	0	103,600,000	308,200,000
10/25/07	0	25,000,000	308,200,000
1/25/08	0	0	297,600,000
4/25/08	0	0	272,600,000
7/25/08	0	0	239,300,000
10/25/08	0	0	179,300,000
1/25/09	0	0	114,300,000
4/25/09	0	0	52,300,000

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 its 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.

Verification Agent and Back-up Issuer Administrator

Deutsche Bank will serve as the trust estate's verification agent. In this capacity, Deutsche Bank will, prior to each monthly calculation date, notify the trustee as to the accuracy of the issuer's instructions to pay and transfer funds from the collection account.

In addition to serving as the eligible lender trustee and indenture trustee, Deutsche Bank will also serve as back-

up issuer administrator. In the event CLC is no longer able to perform its duties or resigns as issuer administrator, Deutsche Bank will assume the role according to the back-up administrator agreement, dated March 1, 2002. The issuer administrator is responsible primarily for directing funds from the collection account to meet the trust's obligations, including paying all expenses in connection with the collection account.

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 lags, varying levels of deferment and forbearance percentages, and durations, servicing cost inflation, and cash release.

The removal of the net loan rate for floating-rate notes exposes the transaction to a greater degree of basis risk and was stressed by applying various 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 below*).

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*	Highest†
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 – Department of Education. SAP – Special allowance payment.

Outstanding Debt and Debt Summary

(As of July 31, 2003)

Series	Class	Original Principal Amount (\$)	Interest Rate	Final Maturity Date	Rating
2002	A-1	73,500,000	28-Day Auction Rate	3/1/42	'AAA'
2002	A-2	73,500,000	28-Day Auction Rate	3/1/42	'AAA'
2002	A-3	73,000,000	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'
Total		3,900,000,000			

Copyright © 2003 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries. One State Street Plaza, NY, NY 10004.

Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. All of the information contained herein is based on information obtained from issuers, other obligors, underwriters, and other sources which Fitch believes to be reliable. Fitch does not audit or verify the truth or accuracy of any such information. As a result, the information in this report is provided "as is" without any representation or warranty of any kind. A Fitch rating is an opinion as to the creditworthiness of a security. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed, suspended, or withdrawn at anytime for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of Great Britain, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.