

July 8, 2008

Statement from College Loan Corporation

The auction rate securities market functioned effectively for more than 20 years and grew to more than \$330 billion. However, in the wake of the subprime mortgage crisis, most auctions began to fail in mid-February, including student loan backed auction rate notes. These developments have adversely affected the auction rate securities of College Loan Corporation, as well as the auction rate securities of other student loan finance companies.

College Loan Corporation Trust I and College Loan Corporation Trust II currently have student loan backed auction rate notes outstanding. The indentures under which these notes were issued permit the respective trust to use certain available funds to purchase senior auction rate notes in the open market from willing sellers. Any purchases will be made at a discount to par, at negotiated prices, and each Trust may only acquire auction rate notes that it issued. All notes purchased by a Trust will be cancelled and not reissued. The Trusts will not be purchasing any subordinate auction rate notes at this time.

If you would like more information regarding selling senior auction rate securities, please contact Restricted Securities Trading Network (www.restrictedsecurities.net).

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