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February 12, 2007

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The Honorable Margaret Spellings
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Spellings:

We write regarding the recent sale of more than \$18 million of Sallie Mae stock just prior to the public announcement of significant student lender cuts outlined in President Bush's Fiscal Year 2008 Budget.

According to recent news accounts, Sallie Mae's Chairman sold 400,000 shares of Sallie Mae (SLM Corp.) stock between February 1 and February 2, 2007—just three days before the official, public release of the President's budget. As you know, the President has called for more than \$17 billion in cuts to the lending industry, including \$11 billion in reduction to Special Allowance Payments (SAP). Such cuts could have an impact on the financial health of companies such as Sallie Mae, which are wholly reliant on the federal student loan program.

Given the timing between the stock sale and the public announcement of lender cuts, we seek additional information about these events. Specifically, we ask that you provide us with the details of any and all communications about the lending industry between the Department of Education and SLM Corp. and its agents beginning November 1, 2006 through the date of this request. Please provide us with copies of written correspondence, e-mails, meeting minutes, notes, etc. memorializing these communications. Also, please provide us with telephone and meeting logs detailing the names, dates, locations and context of all Department of Education and SLM Corp. communications for the same time frame.

As members of Congress and Chairmen of the Committees with oversight in the areas of education and financial services, we respectfully request your written response within 10 days of receiving this letter. We further ask that your staff coordinate the production of

the requested information with Michael Zola, Chief Investigative Counsel, House Education and Labor Committee at (202) XXX-XXXX and Ricardo Delfin, Senior Counsel, House Financial Services Committee at (202) XXX-XXXX.

Sincerely,

GEORGE MILLER
Chairman

BARNEY FRANK
Chairman
Committee on Financial Services

Enclosure: Information Request Supplemental Instructions