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FEDERAL STUDENT AID

December 4, 2006

Subject: PLUS/SLS Variable Interest Rate for 2007 – “91-day Treasury Bill” Method

Dear Partner:

Due to the wording of the promissory notes, some loans are subject to a calendar-year adjustment of the variable interest rate, based on the “91-day Treasury Bill” method that existed in statute [section 427A(c)(4)] prior to enactment of the Higher Education Technical Amendments Act of 1987 (Pub. L. 100-50). The rate is equal to the “average of the 91-day Treasury Bills auctioned during the 12-month period ending November 30” plus 3.75 percent, not to exceed 12 percent.

Accordingly, we have determined that the variable interest rate for **calendar year 2007** is **8.52** percent [4.77% (the 91-day T-bill average) + 3.75%].

Please note that this rate applies only to PLUS/SLS promissory notes that provide for a calendar year adjustment based on the “91-day Treasury Bill” method.

Accounting Division
Chief Financial Office

Attachment

Attachment – 91-Day Treasury Bills (12-Month Period Ending 11/30/06)

AUCTION DATE	BOND EQUIVALENT RATE
2005	
12/05	4.025
12/12	3.911
12/19	3.988
12/27	3.999
2006	
1/03	4.169
1/09	4.252
1/17	4.377
1/23	4.397
1/30	4.485
2/06	4.485
2/13	4.553
2/21	4.563
2/27	4.625
3/06	4.615
3/13	4.625
3/20	4.662
3/27	4.610
4/03	4.651
4/10	4.688
4/17	4.719
4/24	4.755
5/01	4.807
5/08	4.864
5/15	4.864
5/22	4.828

2004 (continued)	
5/30	4.843
6/05	4.833
6/12	4.926
6/19	4.958
6/26	5.036
7/03	5.088
7/10	5.056
7/17	5.098
7/24	5.108
7/31	5.108
8/07	5.124
8/14	5.114
8/21	5.109
8/28	5.093
9/05	4.984
9/11	4.947
9/18	4.942
9/25	4.895
10/02	4.890
10/10	4.978
10/16	5.072
10/23	5.124
10/30	5.108
11/06	5.088
11/13	5.088
11/20	5.071
11/27	5.036
TOTAL	248.234
AVERAGE: 4.77	