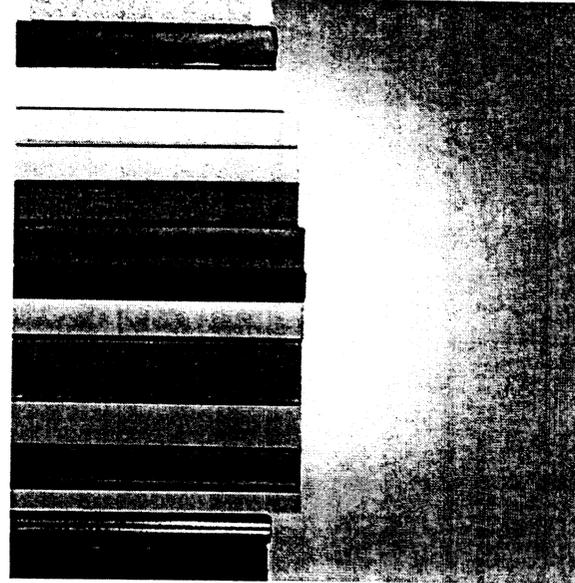


(for Tim F.)



SLM 0043

Confidential Treatment  
Requested by SLM  
Corporation.

## Federal Government Relations Strategy Discussion

December 5, 2006

2/19/2007

**SallieMae**<sup>®</sup>  
Champions for Higher Education.™

# Where We Are

---

## Challenges

- Democratic control of Congress
- Political momentum on college affordability
- Harshest critics of private sector lenders in key leadership positions
- Continued budget pressures
- String of anti-FFELP media

## Strengths

- Vast school customer base
- Substantial employee base
- FFELP market momentum
- Some industry allies that can help
- Strong Republican base and growing Democratic base for FFELP
- Republican White House

## Objectives

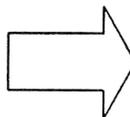
---

1. Protect FFELP economics
2. Protect private credit economics (including bankruptcy)
3. Protect DMO business model: especially, Guarantor Services, ED contract, IRS
4. Preserve ILC charter
5. Navigate 9.5% issue through prospective solutions
6. Protect SLM reputation
7. Create new opportunities (e.g. 529 expansion, competitive advantage)

# Key Strategies and Tactics

## High-Level Political Strategies

1. Grow Pro-FFELP coalition within Democratic party
  - Promote imperative for program choice
  - Establish depth of competition and value in student loan market today (vs. "monopoly or "excess profit" claims)
  - Promote affordability solutions that do not gut FFELP or private credit markets
2. Arm Congressional Republicans and Administration to combat irresponsible proposals
3. Energize and coordinate with key allies, especially schools, employees and lender peers



## Key Action Strategies

1. **Update issue papers/argumentation**
  - FFELP vs. DL scoring
  - FFELP value to schools and borrowers (including discounts)
  - Lender Profitability
  - "Debt burden" vs. College ROI and cost to borrower
  - SLM Executive Compensation
  - Drivers of school choice of FFELP (updated survey of FFEL and DL schools)
  - Platform of SLM-endorsed reforms
2. **Direct Congressional Lobbying and PAC Giving**
  - Leadership
  - "Blue Dog" and Financial Services Democrats
  - CBC and CHC
  - Home-state Democrats
  - New members
3. **Grass Roots**
  - SLM school clients
  - SLM employees
  - Governors and other state contacts
4. **Communications**
  - Aggressive PR campaign (articles, op-eds, advertising, response)
  - Polling to drive political arguments
5. **Industry Allies**
  - Lenders: Nelnet, CLC, plus ASLP and CBA
  - Collection Industry
  - NASFAA and other school groups as possible

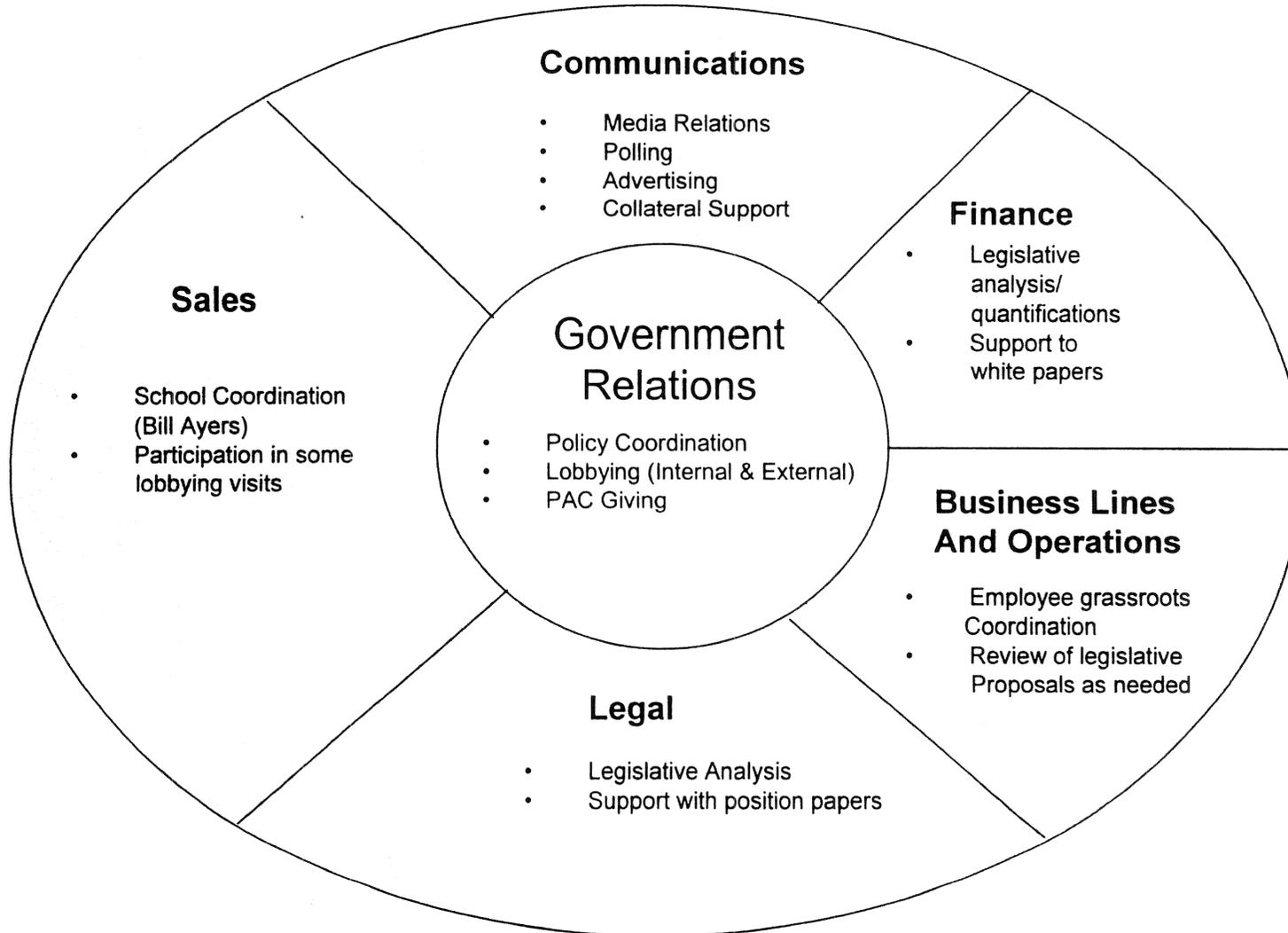


## Critical Things To Get Done By Christmas

---

- Infrastructure: hire (staff) Democratic lobbyist, retain PR firm, and reposition/expand external lobbying capability
- Grass Roots: Execute first wave of school communications to targeted members; execute first wave of UNCF/HBCU communications to targeted members; begin execution of “third party” grassroots/media placements
- Lobbying: Substantial penetration of “first tier” congressional offices for initial contacts; contacts with OMB on budget language; updated assessment of Democrats willing to lead core pro-FFELP group within the caucus; have or schedule Kanjorski/Financial Services event
- Communications: begin to influence/place pro-FFELP media stories

# Organizations and Resources



<b>Week of November 20 – November 23</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
Grassroots	Gov't Relations		Meet with & request proposal for grassroots work	Yes
Grassroots	Gov't Relations		Develop "target list" of offices to contact	Yes
Polling	Gov't Relations		Meet with & request proposal for polling work	Yes
Admin	Gov't Relations		Identify potential new hire as Democratic lobbyist	Yes
Media/Other	Corp. Comm.	GR	Develop overall messaging platform	Yes
Media	Corp Comm.		Develop list of potential Democratic PR firms	Yes

<b>Week of November 27 – December 1</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
Lobbying	Gov't Relations		Schedule meetings with Tier 1 offices	
Lobbying	Gov't Relations	As needed	Finalize issue papers for Hill/other distribution	
Grassroots	Gov't Relations	State Affairs	Develop pro-FFEL messages to be delivered by Governors to select congressional offices	
Grassroots	Gov't Relations	Mark Lloyd	Merge congressional "target list" with district-level school data (volume, FFEL v. FL, etc.)	
Grassroots	Gov't Relations	Bill Ayers	Distribute "target list" so Sales can begin making assignments for grassroots contacts	
IRS Issue	Gov't Relations	Corp Comm	Coordinate press release by local NY officials to build on attention created by upcoming <i>Buffalo News</i> article	Yes

Admin	Gov't Relations		Conduct interviews of potential new hires	
Media	Corp Comm.		Contact principals at PR firms, set up initial meetings	Yes
Media	Corp Comm.	GR	Draft letter to the editor from Tim Fitzpatrick	

<b>Week of December 4 – December 8</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
Lobbying	Gov't Relations	SLM Execs, as needed	Meet with Tier 1 / home state Members	
Lobbying	Gov't Relations		Meet with select offices, Members or staff	
Lobbying	Gov't Relations		E-mail of key messages to the Hill	
Lobbying	Gov't Relations	Outside Lobbyist	Meeting with Republican Study Committee Staff	
Lobbying	Gov't Relations		Meet with OMB Political staff to discuss FY '08 budget (with Citibank)	
Grassroots	Gov't Relations	Grassroots Firm	Begin Grassroots contacts in Tier 1 districts	
Grassroots	Gov't Relations	Mark Lloyd	Merge congressional "target list" into <i>Sallie Mae FLASH</i> to facilitate and track grassroots contact efforts	
Coalition Building	Gov't Relations	Tim F. / Denise C.	Meeting with Michael Lomax of the UNCG.	
Polling	Gov't Relations	Polling Firm	Begin polling, message testing	
Polling	Corp Comm.	Rockbridge	Begin discussions with Rockbridge on Round 2 study	

			of schools, focusing on service/product quality at DL and FFELP schools	
Admin	Gov't Relations		Conduct interviews of potential new hires	
Media	Corp Comm.		Distribute Tim's letter to the editor	
Media	Corp Comm.		Conduct interview with potential Dem PR firms	

<b>Week of December 11 – December 15</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
Lobbying	Gov't Relations	SLM Execs, as needed	Meet with Tier 1 / home state Members	
Lobbying	Gov't Relations		Meet with select offices, Members or staff	
Lobbying	Gov't Relations		Request contact to go from Leader Boehner or Chairman McKeon to OMB political staff on importance of the right budget language	
Grassroots	Gov't Relations	Tim F.	Orchestrate communication from Michale Lomax to FFEL HBCUs, urging communication to leaders in Washington (assuming he would be willing to do this)	
Grassroots	Gov't Relations	Bill Ayers	Encourage communication to the Hill from FFEL schools, with the message that FEEL is working for students, and should not be targeted by Congress	Grassroots
Grassroots	Gov't Relations	Grassroots Firm	Continue grassroots contacts in Tier 1 districts	
Grassroots	Gov't Relations	SLM	Develop plan for wide-scale employee	

		Leaders	communications to the Hill	
Admin	Gov't Relations		Conduct interviews of potential new hires	
Polling	Corp Comm.	Rockbridge	Finalize polling questions/methodology for school poll	
Media	Corp. Comm.		Identify and retain Dem. PR firm	

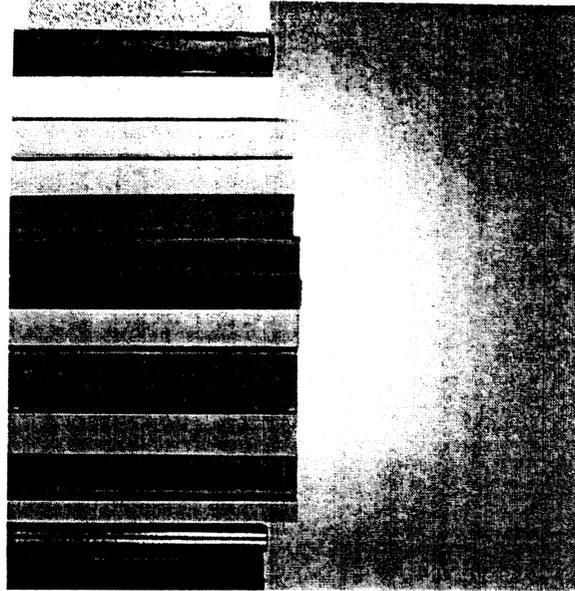
<b>Week of December 18 – December 22</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
Lobbying	Gov't Relations	SLM Execs, as needed	Meet with Tier 1 / home state Members	
Lobbying	Gov't Relations		Meet with select offices, Members or staff	
Grassroots	Gov't Relations	Grassroots Firm	Continue grassroots contacts in Tier 1 districts	
Grassroots	Gov't Relations	Bill Ayers	Encourage communication to the Hill from FFEL schools, with the message that FEEL is working for students, and should not be targeted by Congress	
Admin	Gov't Relations		Hire new Democratic lobbyist	
Polling	Corp Comm.	Rockbridge	Launch survey of DL/FFELP schools (NOTE: Most of this survey will be completed after schools return in January.)	
Media	Corp. Comm.		Begin working with Dem PR firm on refining messaging, tactics (e.g., op-eds), developing Tier 1 media contacts on national and local level	

<b>Week of December 25 – December 29 [Christmas Holiday]</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
			Holiday - No Activity	

<b>Week of January 1 – January 5 [Congress Convenes on January 3]</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
Lobbying	Gov't Relations	SLM Execs, as needed	Meet with Tier 1 / home state Members	
Lobbying	Gov't Relations		Meet with select offices, Members or staff	
Grassroots	Gov't Relations	Grassroots Firm	Continue grassroots contacts in Tier 1 districts	
Grassroots	Gov't Relations	Bill Ayers	Encourage communication to the Hill from FFEL schools, with the message that FEEL is working for students, and should not be targeted by Congress	
Media	Corp Comm.		Begin contacts/meetings with Tier 1 media at national and local level	

<b>Week of January 8 – January 12</b>				
<b>Type</b>	<b>Division Responsible</b>	<b>Other SLM Assets</b>	<b>Action</b>	<b>Complete?</b>
Lobbying	Gov't Relations	SLM Execs, as needed	Meet with Tier 1 / home state Members	

Lobbying	Gov't Relations		Meet with select offices, Members or staff	
Grassroots	Gov't Relations	Grassroots Firm	Continue grassroots contacts in Tier 1 districts	
Grassroots	Gov't Relations	Bill Ayers	Encourage communication to the Hill from FFEL schools, with the message that FEEL is working for students, and should not be targeted by Congress	
Media	Corp. Comm.		Continue meetings with Tier 1 media; begin outreach to Tier 2 media	



SLM 0187

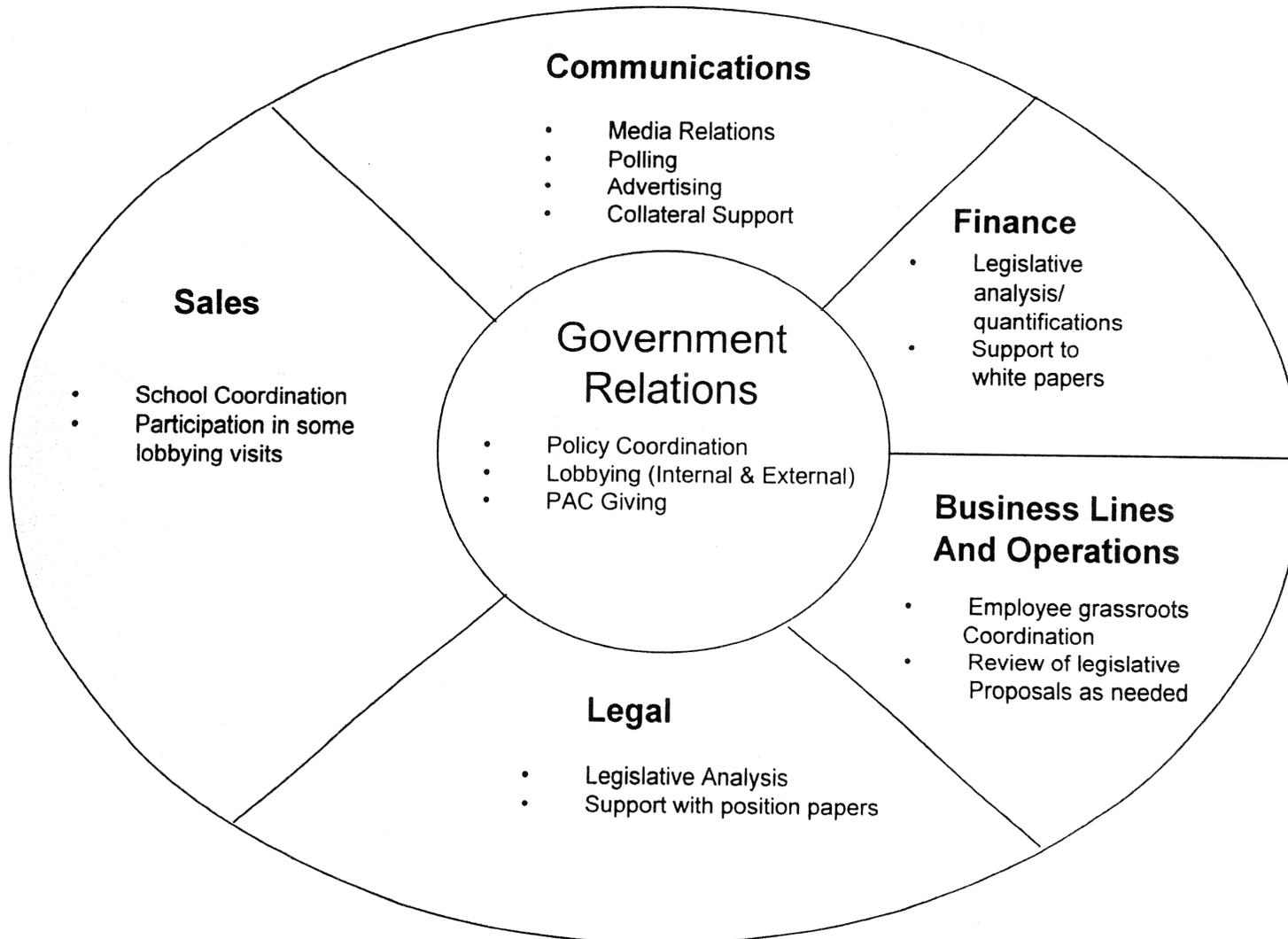
Confidential Treatment  
Requested by SLM  
Corporation.

## Federal Government Relations Strategy Discussion

2/19/2007

**SallieMae**<sup>®</sup>  
Champions for Higher Education.<sup>™</sup>

# Organizations and Resources



# Where We Are

---

## Challenges

- Democratic control of Congress
- Political momentum on college affordability
- Harshest critics of private sector lenders in key leadership positions
- Continued budget pressures
- String of anti-FFELP media

## Strengths

- Vast school customer base
- Substantial employee base
- FFELP market momentum
- Some industry allies that can help
- Strong Republican base and growing Democratic base for FFELP
- Republican White House

# Objectives

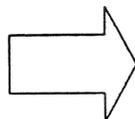
---

1. Protect FFELP economics
2. Protect private credit economics (including bankruptcy)
3. Protect DMO business model: especially, Guarantor Services, ED contract, IRS
4. Preserve ILC charter
5. Navigate 9.5% issue through prospective solutions
6. Protect SLM reputation
7. Create new opportunities (e.g. 529 expansion, competitive advantage)

# Key Strategies and Tactics

## High-Level Political Strategies

1. Grow Pro-FFELP coalition within Democratic party
  - Promote imperative for program choice
  - Establish depth of competition and value in student loan market today (vs. "monopoly or "excess profit" claims)
  - Promote affordability solutions that do not gut FFELP or private credit markets
2. Arm Congressional Republicans and Administration to combat irresponsible proposals
3. Energize and coordinate with key allies, especially schools, employees and lender peers



## Key Action Strategies

1. **Update policy papers/argumentation**
  - FFELP vs. DL scoring
  - FFELP value to schools and borrowers (including discounts)
  - Lender Profitability
  - "Debt burden" vs. College ROI and cost to borrower
  - SLM Executive Compensation
  - Drivers of school choice of FFELP (updated survey of FFEL and DL schools)
  - Platform of SLM-endorsed reforms
2. **Direct Congressional Lobbying and PAC Giving**
  - Leadership
  - "Blue Dog" Democrats
  - Financial Services Democrats
  - CBC and CHC
  - Home-state Democrats
3. **Grass Roots**
  - SLM school clients: letters/emails plus participation in Congressional meetings
  - SLM employees
4. **Communications**
  - Aggressive PR campaign (articles, op-eds, advertising, response)
  - Polling
5. **Industry Allies**
  - Coalition of other willing lenders
  - Outreach to EFC
  - Collection Industry