



We Help Put America Through School

December 10, 2004

Subject: PLUS/SLS Variable Interest Rate for 2005 – “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 2005** is **5.05** percent [1.30% (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

AUCTION DATE	BOND EQUIVALENT RATE
2003	
12/1	0.943
12/8	0.915
12/15	0.903
12/22	0.884
12/29	0.901
2004	
1/5	0.939
1/12	0.887
1/20	0.891
1/26	0.907
2/2	0.939
2/9	0.939
2/17	0.931
2/23	0.947
3/1	0.957
3/8	0.945
3/15	0.961
3/22	0.945
3/29	0.961
4/5	0.945
4/12	0.929
4/19	0.949
4/26	0.985
5/3	1.001
5/10	1.078
5/17	1.058

2004 (continued)	
5/24	1.066
6/1	1.150
6/7	1.251
6/14	1.413
6/21	1.336
6/28	1.381
7/6	1.344
7/12	1.336
7/19	1.352
7/26	1.449
8/2	1.490
8/9	1.497
8/16	1.498
8/23	1.541
8/30	1.607
9/7	1.663
9/13	1.671
9/20	1.716
9/27	1.741
10/4	1.716
10/12	1.711
10/18	1.803
10/25	1.890
11/1	1.987
11/8	2.084
11/15	2.115
11/22	2.197
11/30	2.238
TOTAL	68.883
AVERAGE: 1.30	