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FEDERAL STUDENT AID

December 13, 2005

Subject: PLUS/SLS Variable Interest Rate for 2006 – “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 2006** is **6.85** percent [3.10% (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
2004	
12/6	2.253
12/13	2.243
12/20	2.223
12/27	2.269
2005	
1/3	2.320
1/10	2.376
1/18	2.407
1/24	2.366
1/31	2.525
2/7	2.530
2/14	2.592
2/22	2.669
2/28	2.772
3/7	2.767
3/14	2.792
3/21	2.859
3/28	2.839
4/4	2.792
4/11	2.767
4/18	2.864
4/25	2.941
5/2	2.931
5/9	2.911
5/16	2.859
5/23	2.957

2004 (continued)	
5/31	2.998
6/6	3.029
6/13	3.039
6/20	3.029
6/27	3.147
7/5	3.214
7/11	3.204
7/18	3.292
7/25	3.420
8/1	3.477
8/8	3.539
8/15	3.549
8/22	3.539
8/29	3.575
9/6	3.513
9/12	3.529
9/19	3.575
9/26	3.518
10/3	3.606
10/11	3.714
10/17	3.875
10/24	3.942
10/31	3.983
11/7	3.963
11/14	4.004
11/21	4.034
11/28	3.994
TOTAL	161.125
AVERAGE: 3.10	