

NEW YORK--([BUSINESS WIRE](#))--Fitch Ratings affirms the ratings for the senior bonds at 'AAAs' and subordinated bonds at 'AAs' issued by the Connecticut Student Loan Foundation - Indenture of Trust 2004. The Rating Outlook remains Stable for all bonds.

KEY RATING DRIVERS

High Collateral Quality: The trust collateral is comprised of 98% of Federal Family Education Loan Program (FFELP) loans and approximately 2.0% private student loans. The credit quality of the trust collateral is high, in Fitch's opinion, based on the guarantees provided by the transaction's eligible guarantors and at least 97% reinsurance of principal and accrued interest provided by the U.S. Department of Education (ED) for the FFELP loans which comprises the majority of the portfolio. On March 24, 2014, Fitch affirmed the U.S. sovereign rating at 'AAA' and assigned a Stable Outlook.

Sufficient Credit Enhancement: CE is provided by excess spread and overcollateralization. Parity levels continue to improve, and as of Dec. 31, 2013 was 107.76% and 133.21% for total and senior parity respectively. Additionally the class A notes benefit from 19.37% subordination provided by the class B notes. Excess spread can be released as long as the total parity is maintained at 102.5% and senior parity is 105.0%; however, the trust has not been releasing excess spread but instead is using the cash to pay down the bonds.

Adequate Liquidity Support: Liquidity support is provided by a reserve account (0.75% of the outstanding principal amount of the bonds or \$2,993,625).

Acceptable Servicing Capabilities: The loans are serviced by Educational Services of America Inc., (EdFinancial) which in Fitch's opinion is an acceptable servicer.

RATING SENSITIVITIES

Fitch Affirms Connecticut Student Loan Foundation Indenture of Trust 2004 Ratings

Written by Australian Business

Since FFELP student loan ABS rely on the U.S. government to reimburse defaults, 'AAAs' FFELP ABS ratings will likely move in tandem with the 'AAA' U.S. sovereign rating. Aside from the U.S. sovereign rating, defaults and basis risk account for the majority of the risk embedded in FFELP student loan transactions. Additional defaults and basis shock beyond Fitch's published stresses could result in future downgrades. Likewise, a buildup of credit enhancement driven by positive excess spread given favorable basis factor conditions could lead to future upgrades.

Fitch affirms the following ratings:

Connecticut Student Loan Foundation - Indenture of Trust 2004

--Series 2004 A-1 at 'AAAsf'; Outlook Stable;

--Series 2004 A-3 at 'AAAsf'; Outlook Stable;

--Series 2004 A-7 at 'AAAsf'; Outlook Stable;

--Series 2006 A-1 at 'AAAsf'; Outlook Stable;

--Series 2006 A-2 at 'AAAsf'; Outlook Stable;

--Series 2004 B at 'AAsf'; Outlook Stable;

--Series 2006 B at 'AAsf'; Outlook Stable.

Additional information is available at ' www.fitchratings.com '

Applicable Criteria and Related Research:

--'Global Structured Finance Rating Criteria' (May 24, 2013);

--'Rating U.S. Federal Family Education Loan Program Student Loan ABS Criteria' (May 17, 2013).

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Global Structured Finance Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708661

Rating U.S. Federal Family Education Loan Program Student Loan ABS Criteria -
Effective Apr. 7, 2011 to Apr. 3, 2012

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=616766

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=826344

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