

NEW YORK--([BUSINESS WIRE](#))--Fitch Ratings affirms the SLM Student Loan Trust 2007-4 and SLM Student Loan Trust 2007-5 senior notes at 'AAAsf' and subordinate notes at 'Asf'. The Rating Outlook remains Stable for all classes of both trusts.

KEY RATING DRIVERS

High Collateral Quality: Both SLM 2007-4 and SLM 2007-5 collateral consists of 100% of Federal Family Education Loan Program (FFELP) loans. The credit quality of the trust collaterals are high, in Fitch's opinion, based on the guarantees provided by the transaction's eligible guarantors and reinsurance provided by the U.S. Department of Education (ED) for at least 97% of principal and accrued interest. The current U.S. sovereign rating is 'AAA' with a Stable Outlook.

Sufficient Credit Enhancement: While both the senior and subordinate notes will benefit from excess spread, the senior notes also benefit from subordination provided by the class B note. As of April 2014, total parity is 100% and senior parity is 104.46% for SLM 2007-4 and 100% and 104.27% for SLM 2007-5. Cash is being released from the both trusts given that the 100% parities are maintained.

Adequate Liquidity Support: Liquidity support is provided by a reserve account. The reserve for SLM 2007-4 is sized equal to the greater of 0.25% of the pool balance and \$7,500,000; for SLM 2007-5, the reserve is sized equal to the greater of 0.25% of the pool balance and \$3,750,000.

Acceptable Servicing Capabilities: Navient Solutions, Inc. (formerly known as Sallie Mae, Inc.), as servicer, will be responsible for servicing the portfolio. Fitch has reviewed the servicing operations of Navient Solutions and believes it to be acceptable servicer of FFELP student loans.

RATING SENSITIVITIES

Since FFELP student loan ABS rely on the U.S. government to reimburse defaults, 'AAAsf' 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 has affirmed the following rating:

SLM Student Loan Trust Series 2007-4:

--Class A-3 at 'AAAsf'; Outlook Stable;

--Class A-4A at 'AAAsf'; Outlook Stable;

--Class A-4B at 'AAAsf'; Outlook Stable;

--Class A-5 at 'AAAsf'; Outlook Stable;

--Class B-1 at 'Asf'; Outlook Stable;

--Class B-2A at 'Asf'; Outlook Stable;

--Class B-2B at 'Asf'; Outlook Stable;

SLM Student Loan Trust Series 2007-5:

--Class A-4 at 'AAAsf'; Outlook Stable;

--Class A-5 at 'AAAsf'; Outlook Stable;

--Class A-6 at 'AAAsf'; Outlook Stable;

--Class B-1 at 'Asf'; Outlook Stable;

--Class B-2 at 'Asf'; Outlook Stable.

Applicable Criteria and Related Research:

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

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

Applicable Criteria and Related Research:

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

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708795

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=829959

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