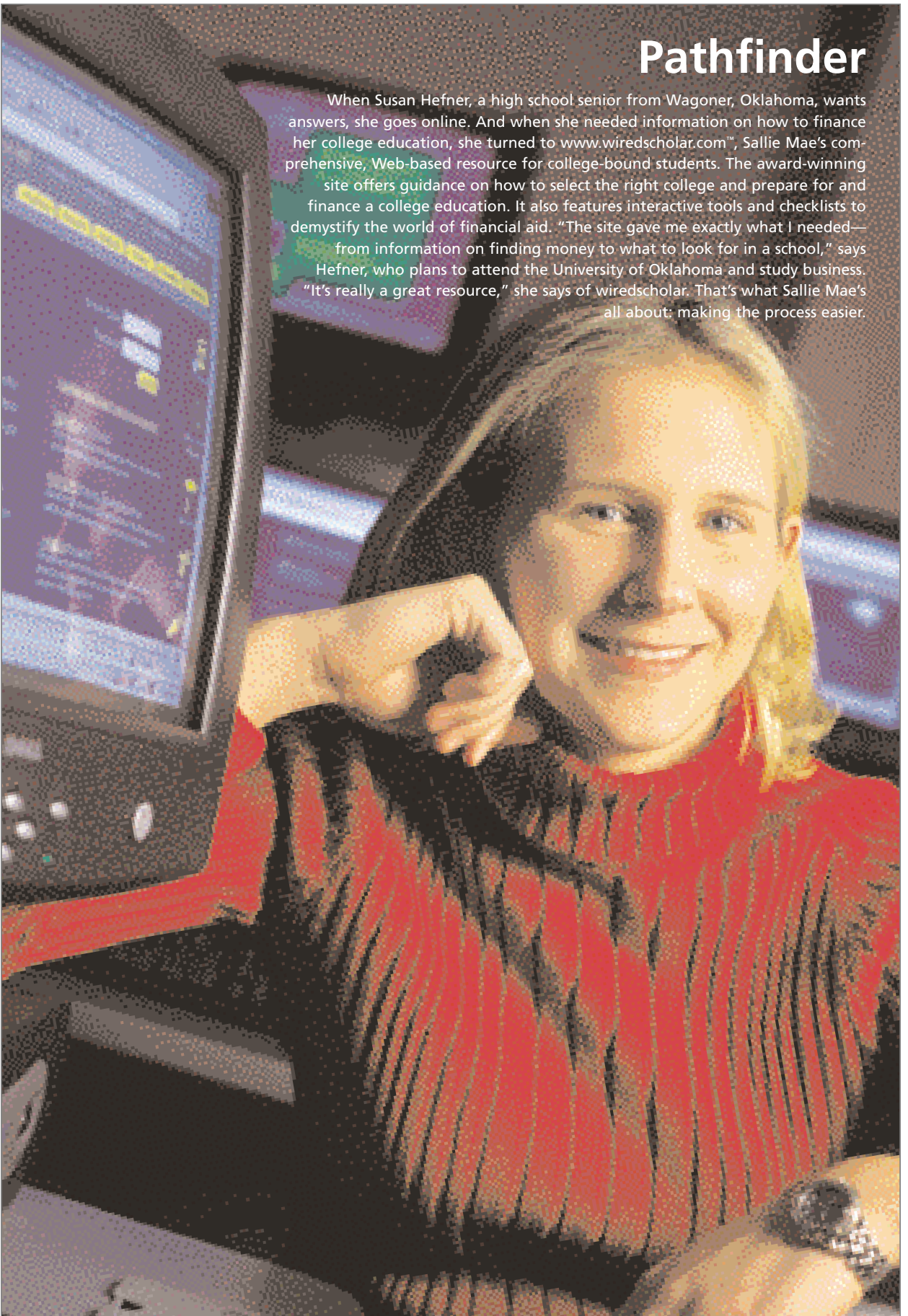


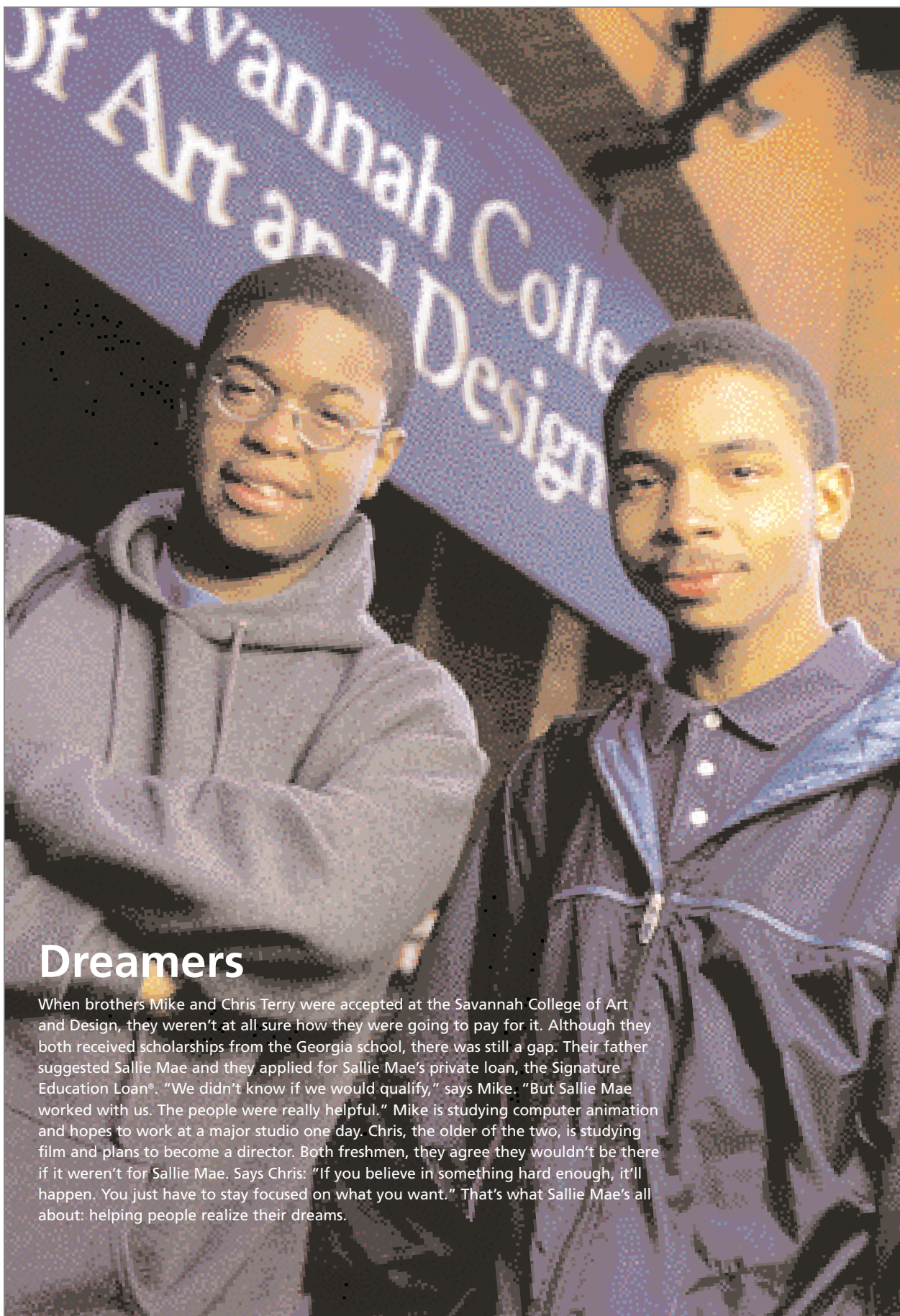
The Faces of SallieMae

SLM Corporation Summary Annual Report 2001

Pathfinder

When Susan Hefner, a high school senior from Wagoner, Oklahoma, wants answers, she goes online. And when she needed information on how to finance her college education, she turned to www.wiredscholar.com, Sallie Mae's comprehensive, Web-based resource for college-bound students. The award-winning site offers guidance on how to select the right college and prepare for and finance a college education. It also features interactive tools and checklists to demystify the world of financial aid. "The site gave me exactly what I needed—from information on finding money to what to look for in a school," says Hefner, who plans to attend the University of Oklahoma and study business. "It's really a great resource," she says of wiredscholar. That's what Sallie Mae's all about: making the process easier.





Dreamers

When brothers Mike and Chris Terry were accepted at the Savannah College of Art and Design, they weren't at all sure how they were going to pay for it. Although they both received scholarships from the Georgia school, there was still a gap. Their father suggested Sallie Mae and they applied for Sallie Mae's private loan, the Signature Education Loan®. "We didn't know if we would qualify," says Mike. "But Sallie Mae worked with us. The people were really helpful." Mike is studying computer animation and hopes to work at a major studio one day. Chris, the older of the two, is studying film and plans to become a director. Both freshmen, they agree they wouldn't be there if it weren't for Sallie Mae. Says Chris: "If you believe in something hard enough, it'll happen. You just have to stay focused on what you want." That's what Sallie Mae's all about: helping people realize their dreams.

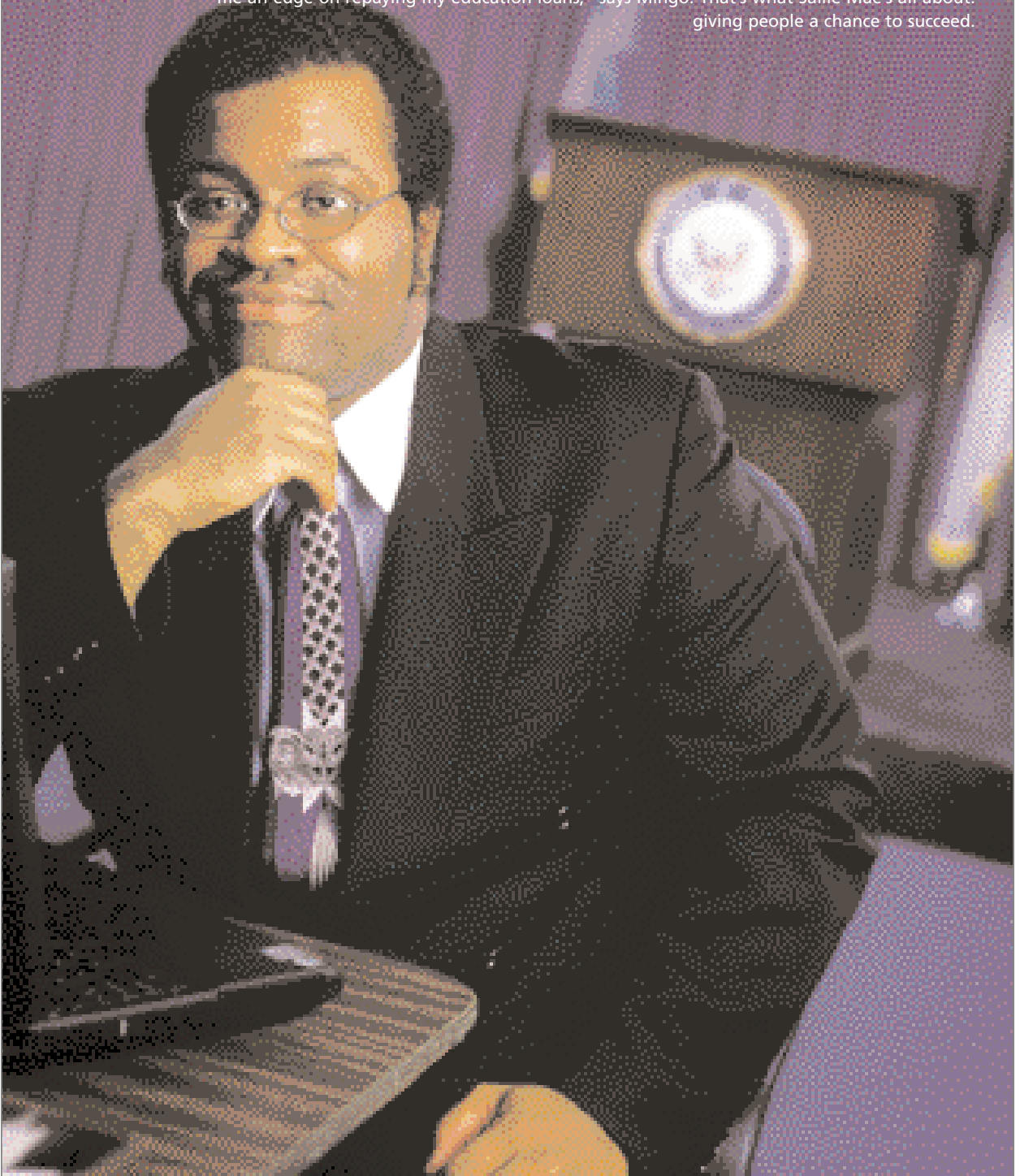


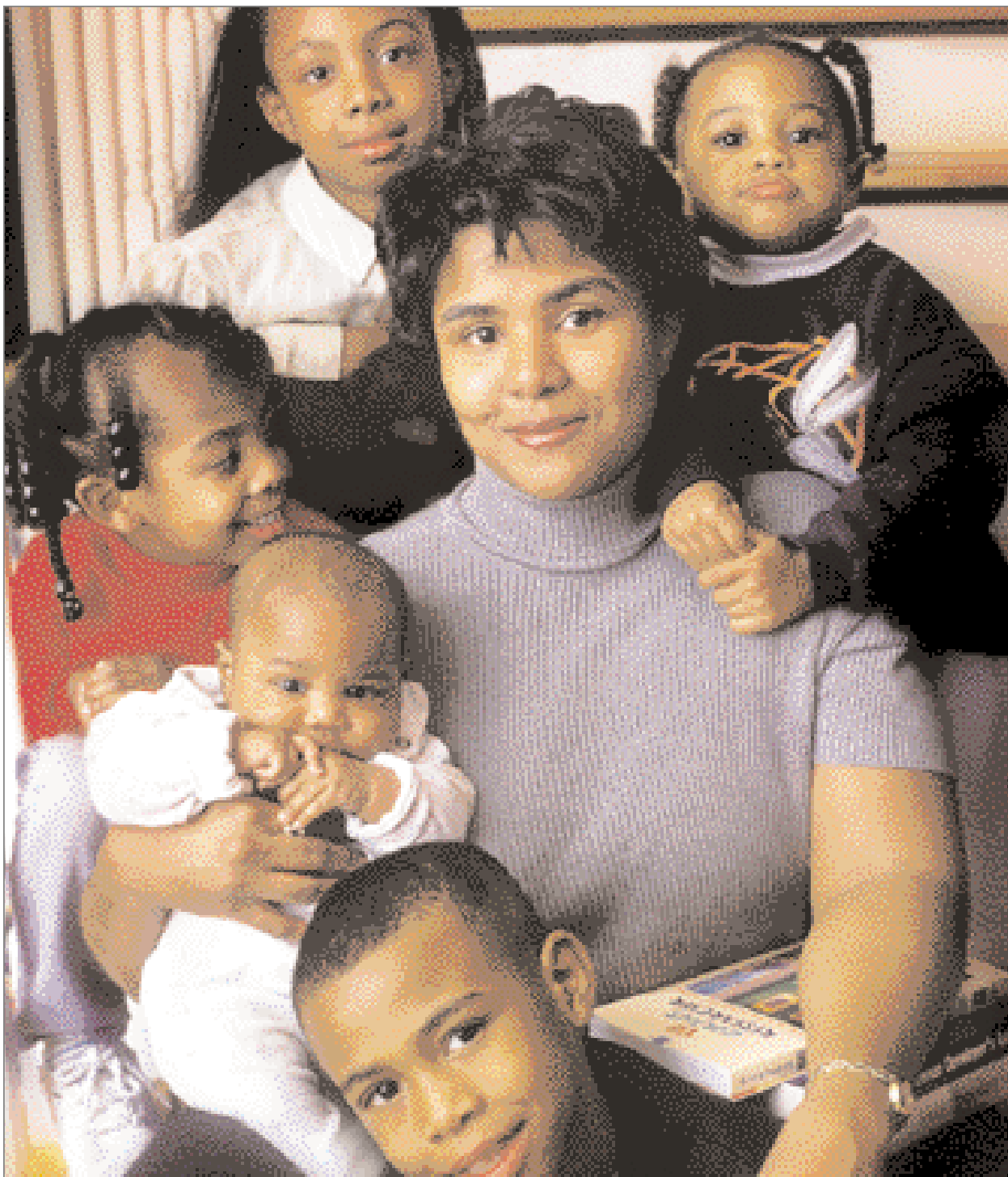
Scholar-Athlete

Kim Burton graduated from Johns Hopkins University in December 2001 with a B.A. in psychology. "I really wanted to go to Johns Hopkins because of its reputation and its size. I knew I could play field hockey there and get a good education," says Burton. A Maryland Distinguished Scholar, Burton received a partial scholarship from the university, but she needed a combination of loans to make up the difference. "Without financial aid, I would have had to transfer to a different school," says Burton, who worked several jobs during her college career. Sallie Mae loans supplemented the funds from her scholarship. "Sallie Mae made all the difference," says Burton. That's what Sallie Mae's all about: making a difference.

Leader

Today, Jeffrey Mingo works in a congressional district office in Illinois. In 1999, he received his law degree from Boalt Hall at the University of California. He funded his education through a combination of loans, including loans from Sallie Mae. Last year, he hit the jackpot—winning Sallie Mae's TrueCareers Sweepstakes™, held monthly through the Company's Web site. TrueCareers™ offers online career guidance and job listings for those who have attended college. Winning the sweepstakes gave Jeff two options: up to \$25,000 in loan forgiveness from Sallie Mae or \$12,000 in cash. He chose the \$12,000 and used it to pay off loans from the U.S. Department of Education. "I'm very grateful to Sallie Mae and I think this is a great sweepstakes. It gave me an edge on repaying my education loans," says Mingo. That's what Sallie Mae's all about: giving people a chance to succeed.





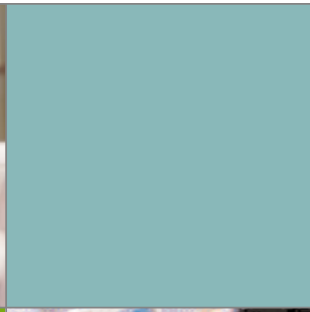
Groundbreaker

At first glance, Crystal Banks is not a typical student. A mother of five, she's gone back to school to get her degree in computer technology. Considered a "non-traditional" student, 30-year-old Banks actually represents a growing segment of higher education: people who, for a variety of reasons, are making their way back to college campuses in droves. Banks is studying computer graphic design at ITT Technical Institute in Indianapolis, Indiana, and is on the honors list. She works as a receptionist during the day and attends school in the evenings. Her Sallie Mae loan, combined with a grant from the school, makes it possible financially. Says Banks: "My family has been extremely supportive. But I wouldn't have been able to go back to school without Sallie Mae." That's what Sallie Mae's all about: the power of possibility.

Achiever

Eduardo Pasquier is a senior-level project manager with a technology services company. Right now, he's managing a major IT project and a staff of 25 at a military university—and is in the process of getting his MBA. Pasquier, a native of Nicaragua, graduated from Strayer University in 1996 with a degree in computer science. His entire undergraduate education was funded by Sallie Mae loans; his MBA degree is being funded by his employer. "I was relieved of financial worries while I was in school, and I was confident that when I graduated, I'd have no problem starting my career in the IT industry and paying back the loan," says Pasquier. That's what Sallie Mae's all about: opportunity.

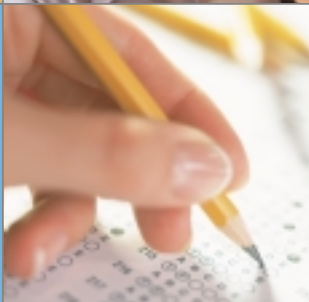
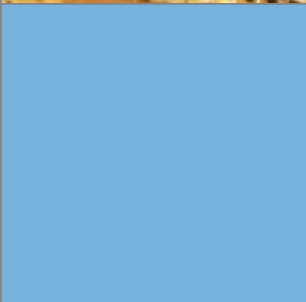
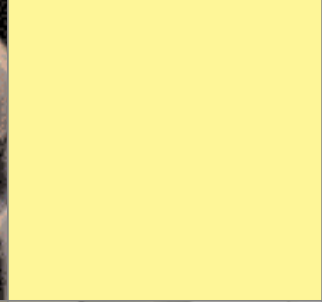




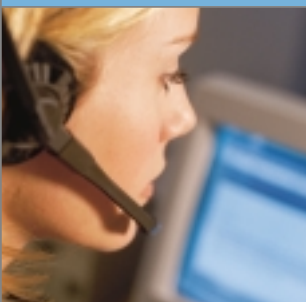
The stories you have just read illustrate why Sallie Mae is committed to making higher education dreams possible.

For nearly three decades, Sallie Mae and its family of companies have helped deserving individuals like these men and women further their personal and professional opportunities through a college education. Whether it's a young person who aspires to a career in filmmaking or a mother of five who returns to college to better her life and that of her children, Sallie Mae is committed to opening the doors to education.

We accomplish this challenge by participating in every aspect of the student loan process. From making unprecedented investments in technology, to providing superior customer service, to developing innovative business solutions, everything Sallie Mae does is connected to helping people achieve their potential.



And the best is yet to come.



Letter from the Chairman



Edward A. Fox

Dear Shareholders: As I look back on the past 12 months, I do so with a sense of great pride. The year 2001 was an extraordinary one for Sallie Mae.

We surpassed \$70 billion in managed student loans, originated more than \$10 billion in student loans and generated 28 percent “core cash basis” earnings per share growth. We were rewarded with historically high stock prices and an increasing sense that our success is allowing us to set standards for the student loan industry, as a responsible market leader can and should.

Sallie Mae’s success is a direct result of the collaborative efforts put forth by its employees, a fact that is particularly gratifying to me. In 1973, when Sallie Mae opened its doors at 1750 K Street in Washington, D.C., I was appointed its first president. Since then, the journey has been nothing short of astounding. We have transformed ourselves from an acquirer of student loans in the secondary market to a direct originator, with our concentration of resources shifting to frontline customers: schools and borrowers. What hasn’t changed, however, is our mission: to make education accessible and affordable for all Americans at all times in their lives.

Sallie Mae’s outstanding sales and operations teams contributed, in countless ways, to Sallie Mae’s performance in 2001. Members of our expanded sales force, which is three times that of our largest competitors, are reaching out to every major college and university in this country, helping us provide even greater levels of service and support.

Today, from my vantage point, the company has only begun to realize its true potential. As we look to the future, I am confident that over the coming months and years, Sallie Mae will continue to sustain its record level of growth and enhance its role as the industry leader.

One final note: You will notice throughout this Annual Report that the formal name of our holding company will be changing to SLM Corporation, effective May 17, 2002. This name change, from USA Education, Inc., is intended to align our corporate name with our New York Stock Exchange ticker symbol, which, of course, has been SLM since 1984. And, as we enter our 30th anniversary year, the name brings us full circle, back to our SLM roots, from which our nickname “Sallie Mae” was derived.

Best wishes,

A handwritten signature in black ink that reads "Edward A. Fox". The signature is written in a cursive, flowing style.

Edward A. Fox
Chairman of the Board

Letter from the CEO and President

“We expected 2001 to begin a period of stronger growth and new direction for Sallie Mae. Those expectations proved accurate—2001 was indeed a very good year.”

Dear Fellow Shareholders: We begin this letter by paying tribute to our employees. They met the challenge to effect 2001’s enormous changes and turned out a record performance. In the wake of our mid-year 2000 purchase of USA Group, we expected 2001 to begin a period of stronger growth and new direction for Sallie Mae. Those expectations proved accurate—2001 was indeed a very good year. Our 6,000-plus employees stepped up to make it happen.

For starters, we passed a major milestone: \$10 billion of preferred channel loan originations, 40 percent above 2000. Our expanding sales force, armed with the best array of financial aid products, successfully added many new schools and enhanced our business with existing school customers.

We are particularly proud of our operations teams. They processed \$14.5 billion of loan acquisitions (preferred channel plus \$5 billion of additional loan purchases) and implemented most of our complex integration activities. They executed flawlessly through peak season. Their “can-do” approach kept our spirits high during that critical period.

Our late summer peak season proved even stronger than anticipated. Confronted with record application and disbursement activity, we blinked and decided to put customer satisfaction ahead of meeting every self-imposed integration deadline. Our productivity goals were postponed, our cost-reduction goals were not met—but not canceled—and we expect to deliver further efficiencies again in 2002.

Effective Integration. Sallie Mae’s successes of 2001 resulted in large part from the value inherent in the 2000 USA Group transaction and effective integration of their activities. We believe we have blended the talent and dedication of our new workforce. Our customers report that we passed the most important test: They did not even notice we integrated. The merger put us into the guarantor services and loan collection businesses—with growth potential that fits our capabilities and produces fee income using very little balance sheet and capital. We grew USA Funds guarantees 8 percent in 2001, up from just 6 percent in 2000. We expect to step up that performance significantly in 2002.

We like the student loan collection business and will aggressively pursue market share. This business can cut taxpayer cost dramatically. We see a challenge in reducing the more than \$30 billion of student loan paper that remains uncollected. Today, we manage only \$6 billion of that total. Already in 2002, we have strengthened ourselves for this task with the acquisitions of Pioneer Credit and General Revenue Corporation, two highly successful student loan collection experts.

Last year, our corporate finance group effectively solidified the right side of our balance sheet. They used 2001’s benign interest rate environment to provide lower and more stable borrowing costs for



Albert L. Lord

Thomas J. Fitzpatrick

several years. We grew capital, yet maintained an active share repurchase program. These and other financial successes led us to accelerate our planned GSE exit to September 30, 2006, two years earlier than originally scheduled.

Yes, we had a good year in 2001. We achieved “core cash basis” diluted earnings per share of \$3.75, a 28 percent increase over 2000 and well beyond our 15 percent, long-term earnings target. We are in an enviable position; we can see meeting our growth targets well into the future in businesses we know.

Financial Integrity. Few 2001 annual reports will be issued without some commentary about financial integrity. You probably already know that Sallie Mae reports earnings on both GAAP and “core cash basis.” The operating results of each approach are presented in this report, and we hope you find the extra information more useful than confusing. The “core cash basis” results are critical for us to judge our own financial performance accurately. Sadly, today’s GAAP distorts the economics of several of our asset/liability funding mechanisms and creates misleading earnings volatility. The inherent conservatism of the core cash methodology will lead to lower reported earnings over time than will GAAP, though short-term fluctuations in either direction can be very material.

Giving Back. In 2001, Sallie Mae demonstrated a commitment to serving the communities where our customers and our employees live and work. Our philanthropic arm, The Sallie Mae Fund, undertook the launch of “First in My Family,” an effort designed to encourage young Hispanic-Americans to be first in their family to go to college. Also, we created the Sallie Mae 911 Education Fund shortly after the terrorist attacks to relieve affected families of their student loan debt and provide scholarship funds. We are pleased that numerous families have participated in this program, and we expect to see many more as days pass. Like you, we were horrified by the events of September 11, and we hope our efforts are meaningful to the victims of these atrocities.

The next several years present dramatic market opportunities for Sallie Mae. We will take advantage of each chance we see to enhance our scale, build markets for our key services, grow student loan share and diversify our funding sources. We expect an exciting 2002.

Strategic Priorities. Immediate strategic priorities are the Higher Education Act Reauthorization process and our accelerated transition from GSE status to a fully private-sector corporation. We see these as opportunities to strengthen the nation’s student loan delivery system and Sallie Mae. Sallie Mae is very proud of its role in delivering the FFELP which is, in our opinion, a tremendous bargain for the American taxpayer. Taxpayers pay less today to make and maintain FFELP loans than they did 10 years ago. Better collection practices can lower that cost even further. We believe Congress and the

“Our business plan has proven solid and true. It has put us in position to surpass the direct lending program soon as the No. 1 originator of student loans in the United States.”

administration appreciate the FFELP’s effectiveness as evidenced in January 2002 when they permanently restructured the mechanism for setting student loan interest rates with a private-sector finance index—90-day commercial paper. That legislation should cut the program cost and encourage the private-sector competition so necessary for innovation.

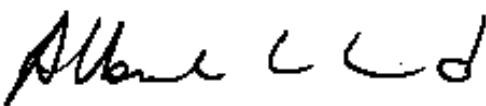
Completing our exit to a fully private charter will test our financing abilities. We are anxious to completely shed the GSE mantle and get on with our new status. This year is pivotal as we begin to accelerate securitization activity and debt issuance for the holding company without impairing the achievement of our long-term earnings goals.

Keeping Our Promises. Along the way, we have been keeping our long-standing promise to transform the company from a wholesale to a retail business. Our business plan has proven solid and true. It has put us in position to surpass the direct lending program soon as the No. 1 originator of student loans in the United States. The plan has provided the patient investor good returns. Now, we are ready for Sallie Mae’s next chapter. Shortly after year-end 2001, we both executed employment contracts that focus us on a new set of long-range performance targets. We thank the Board of Directors for its confidence and look forward to our next set of accomplishments.

We want to acknowledge our pride in achieving success for each of our key constituencies: students, schools, taxpayers, shareholders and employees. We are heartened by Wall Street’s recognition of our potential and confidence in our ability to deliver on our promises. We also want to thank our very loyal investors. We know who you are, and we appreciate you.

The first several pages of our Annual Report chronicle how Sallie Mae is making a difference in the lives of the individuals we serve ... the faces of Sallie Mae. They are just seven people, but their stories represent Sallie Mae’s involvement, in meaningful ways, in every step of the student loan life cycle. Our involvement throughout the process is at the core of what we do as a company, and it allows us to fulfill our mission: to make higher education affordable and accessible to all Americans at all times of their lives.

We thank you for your support of this mission, and we hope that you find this report to be of interest.

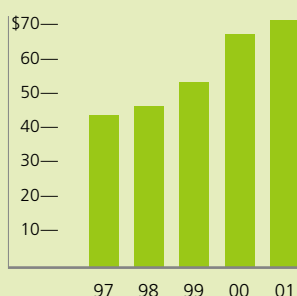


Albert L. Lord
Vice Chairman & Chief Executive Officer

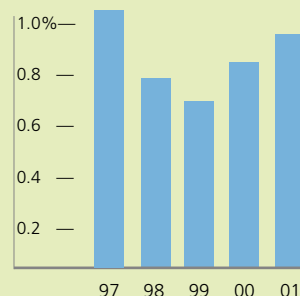


Thomas J. Fitzpatrick
President & Chief Operating Officer

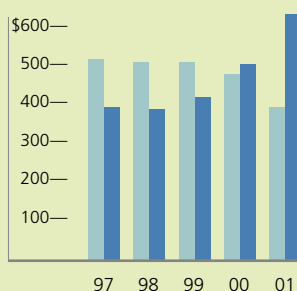
Ending Managed Student Loans
(in billions)



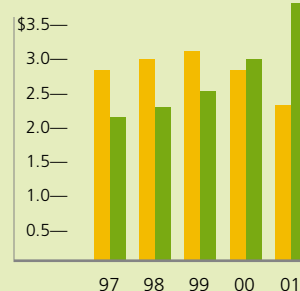
Operating Expenses⁽¹⁾
as Percent of Average
Managed Loans



Net Income "Core Cash Basis"⁽²⁾
Net Income
(in millions)



Diluted EPS "Core Cash Basis"⁽²⁾
Diluted EPS



2001 Financial Highlights

(Dollars in millions, except share and per share amounts)

	2001	2000	Increase (decrease) %
December 31,			
On-balance sheet student loans	\$41,001	\$37,647	
Off-balance sheet student loans	30,725	29,868	
Managed student loans	<u>\$71,726</u>	<u>\$67,515</u>	6
Years ended December 31,			
Pro-forma "core cash basis" ⁽²⁾ net income	\$ 624	\$ 492	27
Pro-forma "core cash basis" ⁽²⁾ diluted earnings per common share	\$ 3.75	\$ 2.93	28
Dividends per common share	\$.73	\$.66	11
Average common and common equivalent shares outstanding	163,399,582	164,354,935	(1)

(1) Exclusive of certain one-time, non-recurring expenses incurred in the third quarter of 1997 and a one-time integration charge incurred in the third quarter of 2000.

(2) See "Pro-forma 'Core Cash Basis' Consolidated Statements of Income," Page 14.

Consolidated Balance Sheets*(Dollars and shares in thousands, except per share amounts)*

	<i>December 31,</i>	
	<i>2001</i>	<i>2000</i>
Assets		
Student loans, net	\$41,000,870	\$37,647,297
Warehousing advances	1,035,906	987,352
Academic facilities financings	732,241	851,168
Investments	5,072,152	5,206,022
Cash and cash equivalents	715,001	734,468
Residual interest and servicing assets	1,859,450	961,252
Other assets	<u>2,458,339</u>	<u>2,404,229</u>
Total assets	<u>\$52,873,959</u>	<u>\$48,791,788</u>
Liabilities		
Short-term borrowings	\$31,064,821	\$30,463,988
Long-term notes	17,285,350	14,910,939
Other liabilities	<u>2,851,326</u>	<u>1,787,642</u>
Total liabilities	<u>51,201,497</u>	<u>47,162,569</u>
Commitments and contingencies		
Minority interest in subsidiary	—	213,883
Stockholders' equity		
Preferred stock, par value \$.20 per share, 20,000 shares authorized: 3,300 and 3,300 shares issued, respectively, at stated value of \$50 per share	165,000	165,000
Common stock, par value \$.20 per share, 375,000 shares authorized: 202,736 and 190,852 shares issued, respectively	40,547	38,170
Additional paid-in capital	805,804	225,211
Unrealized gains on investments and derivatives (net of tax of \$360,876 and \$167,624, respectively)	670,199	311,301
Retained earnings	<u>2,068,490</u>	<u>1,810,902</u>
Stockholders' equity before treasury stock	3,750,040	2,550,584
Common stock held in treasury at cost: 47,241 and 26,707 shares, respectively	<u>2,077,578</u>	<u>1,135,248</u>
Total stockholders' equity	<u>1,672,462</u>	<u>1,415,336</u>
Total liabilities and stockholders' equity	<u>\$52,873,959</u>	<u>\$48,791,788</u>

The financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K to the Securities and Exchange Commission.

**USA Education, Inc., will change its name to SLM Corporation effective May 17, 2002.*

Consolidated Statements of Income*(Dollars and shares in thousands, except per share amounts)*

	<i>Years ended December 31,</i>		
	<i>2001</i>	<i>2000</i>	<i>1999</i>
Interest income:			
Student loans	\$2,527,818	\$2,854,231	\$2,426,506
Warehousing advances	43,401	56,410	67,828
Academic facilities financings	53,485	66,709	74,358
Investments	<u>372,827</u>	<u>501,309</u>	<u>239,883</u>
Total interest income	2,997,531	3,478,659	2,808,575
Interest expense	<u>2,124,115</u>	<u>2,836,871</u>	<u>2,114,785</u>
Net interest income	873,416	641,788	693,790
Less: provision for losses	<u>65,991</u>	<u>32,119</u>	<u>34,358</u>
Net interest income after provision for losses	<u>807,425</u>	<u>609,669</u>	<u>659,432</u>
Other income:			
Gains on student loan securitizations	75,199	91,846	35,280
Servicing and securitization revenue	634,320	295,646	288,584
(Losses) gains on sales of securities	(178,287)	18,622	43,001
Guarantor servicing fees	255,171	128,375	—
Derivative market value adjustment	(452,425)	—	—
Other	<u>183,639</u>	<u>153,143</u>	<u>83,925</u>
Total other income	517,617	687,632	450,790
Operating expenses	707,654	532,710	358,570
Integration charge	<u>—</u>	<u>53,000</u>	<u>—</u>
Income before income taxes and minority interest in net earnings of subsidiary	617,388	711,591	751,652
Income taxes	223,322	235,880	240,127
Minority interest in net earnings of subsidiary	<u>10,070</u>	<u>10,694</u>	<u>10,694</u>
Net income	383,996	465,017	500,831
Preferred stock dividends	<u>11,501</u>	<u>11,522</u>	<u>1,438</u>
Net income attributable to common stock	<u>\$ 372,495</u>	<u>\$ 453,495</u>	<u>\$ 499,393</u>
Basic earnings per common share	<u>\$ 2.34</u>	<u>\$ 2.84</u>	<u>\$ 3.11</u>
Average common shares outstanding	<u>159,078</u>	<u>159,482</u>	<u>160,577</u>
Diluted earnings per common share	<u>\$ 2.28</u>	<u>\$ 2.76</u>	<u>\$ 3.06</u>
Average common and common equivalent shares outstanding	<u>163,400</u>	<u>164,355</u>	<u>163,158</u>

The financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K to the Securities and Exchange Commission.

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Pro-Forma "Core Cash Basis" Consolidated Statements of Income*(Dollars and shares in thousands, except per share amounts)*

The following pro-forma statements of income measure only the recurring earnings of the Company. Accordingly, securitization transactions are treated as financings, not sales, and thereby gains on such sales and subsequent servicing and securitization revenues are eliminated from net income. In addition, the effects of floor income, certain gains and losses on sales of investment securities and student loans, certain integration charges, the amortization and changes in market value of goodwill and intangible assets, and the non-cash, derivative market value adjustment in accordance with Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," also are excluded from net income. Management refers to these pro-forma results as "core cash basis" statements of income. Management monitors the periodic "core cash basis" earnings of the Company's managed student loan portfolio and believes that they assist in a better understanding of the Company's student loan business.

	<i>Years ended December 31,</i>		
	<i>2001</i>	<i>2000</i>	<i>1999</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income:			
Student loans	\$4,324,623	\$5,014,858	\$3,641,544
Warehousing advances	43,401	56,410	67,828
Academic facilities financings	53,485	66,709	74,358
Investments	<u>371,633</u>	<u>528,960</u>	<u>244,135</u>
Total interest income	4,793,142	5,666,937	4,027,865
Interest expense	<u>3,521,985</u>	<u>4,627,783</u>	<u>3,101,279</u>
Net interest income	1,271,157	1,039,154	926,586
Less: provision for losses	89,145	52,951	51,289
Net interest income after provision for losses	<u>1,182,012</u>	<u>986,203</u>	<u>875,297</u>
Other income:			
(Losses) gains on sales of securities	(1,574)	1,334	1,303
Guarantor servicing fees	255,171	128,375	—
Other	<u>201,581</u>	<u>151,496</u>	<u>82,945</u>
Total other income	455,178	281,205	84,248
Operating expenses	<u>660,555</u>	<u>514,093</u>	<u>355,804</u>
Income before income taxes and minority interest in net earnings of subsidiary	976,635	753,315	603,741
Income taxes	342,553	250,128	187,689
Minority interest in net earnings of subsidiary	<u>10,070</u>	<u>10,694</u>	<u>10,694</u>
Net income	624,012	492,493	405,358
Preferred stock dividends	<u>11,501</u>	<u>11,520</u>	<u>1,438</u>
Net income attributable to common stock	<u>\$ 612,511</u>	<u>\$ 480,973</u>	<u>\$ 403,920</u>
Basic earnings per common share	<u>\$ 3.85</u>	<u>\$ 3.02</u>	<u>\$ 2.52</u>
Average common shares outstanding	<u>159,078</u>	<u>159,482</u>	<u>160,577</u>
Diluted earnings per common share	<u>\$ 3.75</u>	<u>\$ 2.93</u>	<u>\$ 2.48</u>
Average common and common equivalent shares outstanding	<u>163,400</u>	<u>164,355</u>	<u>163,158</u>

*USA Education, Inc., will change its name to SLM Corporation effective May 17, 2002.

Selected Financial Data 1997–2001*(Dollars in millions, except per share amounts)*

The following table sets forth selected financial and other operating information of the Company. The selected financial data in the table is derived from the consolidated financial statements of the Company. The data should be read in conjunction with the consolidated financial statements, related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Form 10-K to the Securities and Exchange Commission.

	2001	2000	1999	1998	1997
Operating Data:					
Net interest income	\$ 873	\$ 642	\$ 694	\$ 651	\$ 781
Net income	384	465	501	501	508
Basic earnings per common share	2.34	2.84	3.11	2.99	2.80
Diluted earnings per common share	2.28	2.76	3.06	2.95	2.78
Dividends per common share	.73	.66	.61	.57	.52
Return on common stockholders’ equity	30%	49%	78%	81%	65%
Net interest margin	1.82	1.52	1.85	1.93	1.80
Return on assets	.78	1.06	1.28	1.41	1.12
Dividend payout ratio	32	24	20	19	19
Average equity/average assets	2.66	2.34	1.59	1.65	1.64
Balance Sheet Data:					
Student loans	\$41,001	\$37,647	\$33,809	\$28,283	\$29,443
Total assets	52,874	48,792	44,025	37,210	39,832
Total borrowings	48,350	45,375	41,988	35,399	37,717
Stockholders’ equity	1,672	1,415	841	654	675
Book value per common share	9.69	7.62	4.29	3.98	3.89
Other Data:					
Securitized student loans outstanding	\$30,725	\$29,868	\$19,467	\$18,059	\$14,262
Pro-forma “Core Cash Basis” Results (unaudited)⁽¹⁾:					
Net interest income	\$ 1,271	\$ 1,039	\$ 927	\$ 892	\$ 937
Net income	624	492	405	381	384
Diluted earnings per common share	3.75	2.93	2.48	2.24	2.10
Net interest margin	1.64%	1.53%	1.68%	1.76%	1.75%
Return on assets	.79	.71	.71	.72	.70

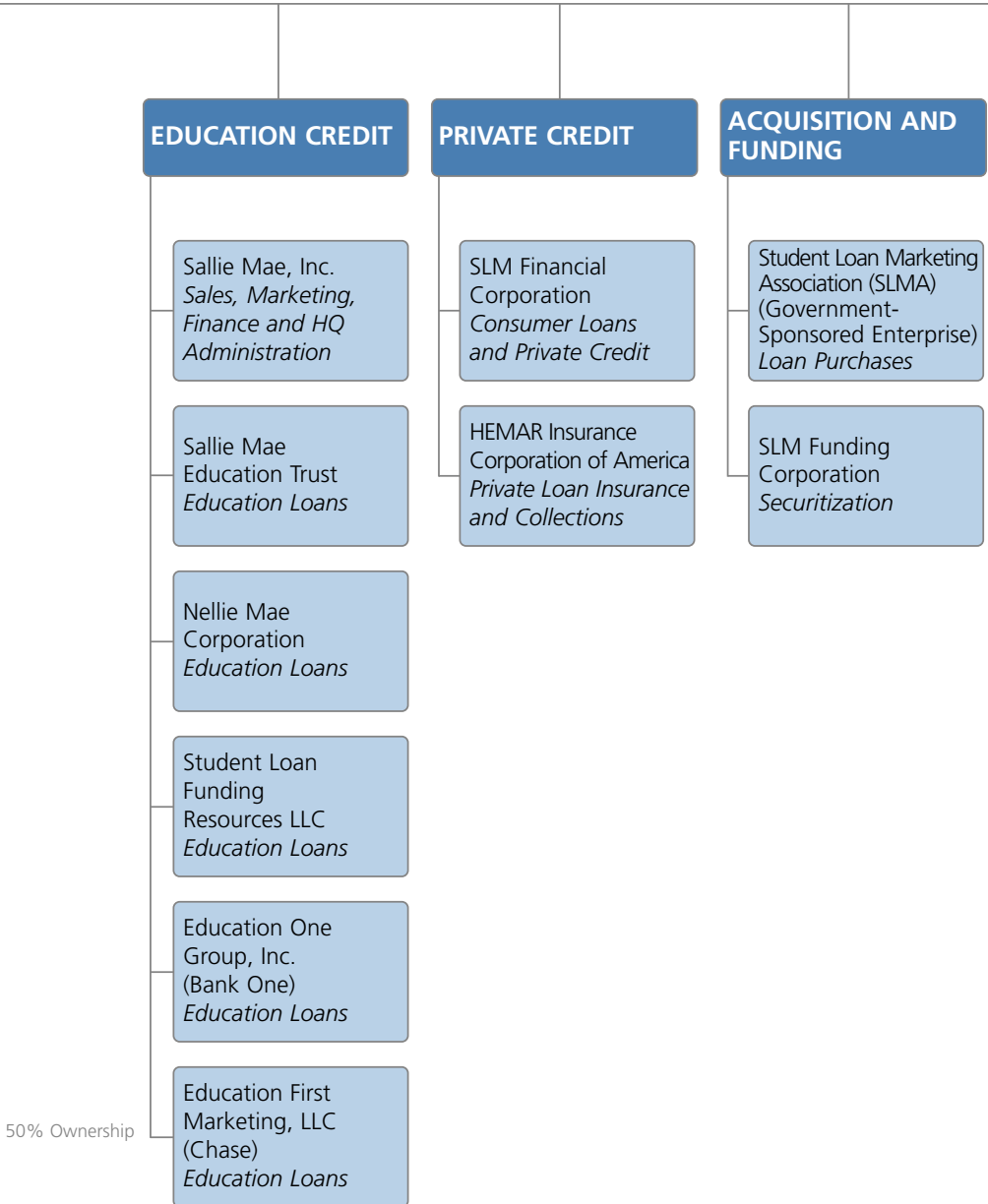
(1) The pro-forma results measure only the recurring earnings of the Company. Accordingly, securitization transactions are treated as financings, not sales, and thereby gains on such sales and subsequent servicing and securitization revenues are eliminated from net income. In addition, the effects of floor income, certain gains and losses on sales of investment securities and student loans, certain integration charges, the amortization and changes in market value of goodwill and intangible assets, and the non-cash, derivative market value adjustment in accordance with Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities,” also are excluded from net income. Management refers to these pro-forma results as “core cash basis” results. Management monitors the periodic “core cash basis” earnings of the Company’s managed student loan portfolio and believes that they assist in a better understanding of the Company’s student loan business.

*USA Education, Inc., will change its name to SLM Corporation effective May 17, 2002.

Sallie Mae Business Organization

● SLM Corporation

Holding Company



SERVICING

Sallie Mae Servicing L.P.

Guarantee Servicing

Loan Servicing

DEFAULT AVERSION

Student Assistance Corporation
Third-Party Default Aversion

COLLECTION

Pioneer Credit Recovery, Inc.

Education Debt Services, Inc.

General Revenue Corporation

CONSULTING

Noel-Levitz
Enrollment and Retention Expertise

Corporate Entity □

Operating Division □

100% Ownership - Direct or Indirect —
(unless otherwise indicated)

Note: Does not show all entities, streamlined for purpose of showing organizational structure.

USA Education, Inc.* Board of Directors



Seated L-R: Steven L. Shapiro; Albert L. Lord; Thomas J. Fitzpatrick; Edward A. Fox; Ronald F. Hunt. Standing L-R: Charles L. Daley; Diane Suitt Gilleland; James C. Lintzenich; Earl A. Goode; William M. Diefenderfer III; Benjamin J. Lambert III; Ann Torre Grant; A. Alexander Porter, Jr.; Wolfgang Schoellkopf; Barry L. Williams; Barry A. Munitz.

Edward A. Fox

Chairman

Sallie Mae President and Chief Executive Officer (1973–1990). Dean of the Amos Tuck School of Business Administration at Dartmouth College (1990–1994). Mr. Fox serves as Trustee of the University of Maine system, and Board Member and President of the American Ballet Theatre.

Albert L. Lord

Vice Chairman & Chief Executive Officer

President and Principal Shareholder of LCL, Ltd., an investment and financial consulting firm (1994–1997). Mr. Lord previously served in executive positions at Sallie Mae (1981–1994), including Chief Operating Officer. Serves on the Board of Directors, SS&C Technologies, Inc.

A. Alexander Porter, Jr.

Lead Independent Director

Co-founder and President of Porter, Felleman Inc., an investment management company, since 1976. Trustee of Davidson College in North Carolina since 1992 and Trustee of the John Simon Guggenheim Memorial Foundation.

Charles L. Daley

Director, Executive Vice President and Secretary of TEB Associates, Inc., a real estate finance company, since 1992. Mr. Daley held executive positions at First Peoples Financial Corp. (1984–1992).

William M. Diefenderfer III

President and Co-founder, enumerate Solutions, Inc., and since 1991, Partner of Diefenderfer, Hoover & Wood, Pittsburgh, Pa. Deputy Director of the Office of Management and Budget from 1989–1991. Director of Chart House Enterprises since 1991.

Thomas J. Fitzpatrick

President & Chief Operating Officer

President and Chief Executive Officer of Equity One, Inc. (1989–1998), Vice Chairman of Commercial Credit Co. (1988–1989) and President and Chief Operating Officer of Manufacturers Hanover Consumer Services (1983–1988). Serves on the board of MAB Paints, Inc.

Diane Suitt Gilleland

Deputy Director of the Illinois Board of Higher Education. Previously, Senior Associate, Institute for Higher Education Policy (1998–1999), Senior Fellow, American Council on Education, Washington, D.C. (1997), Director, Arkansas Department of Higher Education (1990–1997) and Chief Finance Officer for Arkansas Higher Education (1986–1990).

Earl A. Goode

Retired as President from GTE Information Services Corp. in 2000. Served on the boards of The Chase Bank of Texas, N.A.-Dallas, NBD Bank of Indiana, Meridian Insurance Company and Williams Manufacturing. Chairman, Indiana Sports Corp.

Ann Torre Grant

Strategic and Financial Consultant. Executive Vice President, Chief Financial Officer and Treasurer of NHP, Inc., a national real estate services firm (1995–1997). Vice President and Treasurer of USAirways (1991–1995). Directorships include Franklin Mutual Series and Condor Technology Solutions, Inc.

Ronald F. Hunt

Attorney. Mr. Hunt retired from the Company in 1990 after serving in a number of executive positions (1973–1990), most recently as Executive Vice President and General Counsel. Currently serves as Chairman of the Board of Directors of the National Student Clearinghouse; a member of the Board of Directors of enumerate Solutions, Inc.; and a member of the Board of Trustees of Warren Wilson College.

Benjamin J. Lambert III

Senator of the Commonwealth of Virginia since 1986. Serves on Senate Committees on Education & Health, Finance, General Laws, and Privileges & Elections; member of a Senate Finance Committee. Trustee and Secretary to the Board of Trustees of Virginia Union University and Secretary of the Virginia Commonwealth University Health Systems Authority Board.

James C. Lintzenich

Formerly President and Chief Operating Officer of USA Education, Inc. and formerly Vice Chairman and Chief Executive Officer of USA Group, Inc. (1997–2000). Serves on the board of MetroBanCorp. and Lumina Foundation for Education.

Barry A. Munitz

President and Chief Executive Officer, The J. Paul Getty Trust, Los Angeles, Calif. Formerly served as Chancellor and Chief Executive Officer of the California State University System (1991–1997). Former Chair of the American Council on Education (1996) and Vice Chair of the National Commission on the Cost of Higher Education. Trustee, Princeton University.

Wolfgang Schoellkopf

Chairman, Bank Austria Cayman Islands Ltd. and General Partner, PMW Capital Management, L.L.C. Former Partner, Ramius Capital Group, a money management firm (1996–1998). Vice Chairman and Chief Financial Officer of First Fidelity Bancorporation (1990–1996). Held officer positions at Chase Manhattan Bank (1963–1988), most recently as Executive Vice President and Treasurer. Trustee, Marymount University.

Steven L. Shapiro

Certified Public Accountant and Personal Financial Specialist. Chairman of Alloy, Silverstein, Shapiro, Adams, Mulford, Cicalese, Wilson & Co., an accounting firm. Member of the executive advisory council of Rutgers University since 1992 and has served on the board of the West Jersey Hospital Foundation since 1993.

Barry L. Williams

President, Williams Pacific Ventures, Inc. Mr. Williams previously was Managing Principal of Bechtel Investments, Inc. Serves on the boards of PG&E Corp., R.H. Donnelly & Co., Synavant, Inc. and CH2M Hill.

* USA Education, Inc., will change its name to SLM Corporation effective May 17, 2002.

† Also serves as Director on the Student Loan Marketing Association's (GSE) Board.

Student Loan Marketing Association Board of Directors

Chairman

Colin Riley McMillan[‡]

Chairman and CEO

Permian Exploration Corporation

McMillan Production Company, Inc.

Vice Chairman

Ronald F. Hunt

Attorney

James E. Brandon

Attorney and Certified

Public Accountant

Mary K. Bush[‡]

President

Bush International, Inc.

John T. Casteen

President

University of Virginia

Jeannemarie Devolites[‡]

Member

Virginia House of Delegates

William M. Diefenderfer III

Co-founder and President

enumerate Solutions, Inc.

Diane Suitt Gilleland

Deputy Director

Illinois Board of Higher Education

Kathleen MacLellen Gregg[‡]

Director

New Hampshire Task Force

on Child Neglect and Abuse

Catherine L. Hanaway

Attorney

Member, Missouri House

of Representatives

Ronald A. Homer

CEO

Access Capital Strategies, LLC

Dennis E. Logue

Dean

Michael F. Price School of Business

University of Oklahoma

Marie V. McDemmond

President

Norfolk State University

J. Bonnie Newman

Executive Dean

John F. Kennedy School of Government

Harvard University

Richard J. Ramsden

Consultant and Private Investor

Cory T. Shade[‡]

Attorney

Kenneth A. Shaw

Chancellor and President

Syracuse University

Sara Martinez Tucker[‡]

President and CEO

Hispanic Scholarship Fund

Randolph H. Waterfield, Jr.

Certified Public Accountant

and Accounting Consultant

Pat Williams

Senior Fellow

Center for the Rocky Mountain West

University of Montana

[‡] Presidential appointees

Sallie Mae Senior Management

Albert L. Lord

Vice Chairman & Chief Executive Officer

Thomas J. Fitzpatrick

President & Chief Operating Officer

Gregory J. Clancy

Executive Vice President &

Chief Information Officer

Marianne M. Keler

Executive Vice President &

General Counsel

Robert R. Levine

Executive Vice President,

Servicing

June M. McCormack

Executive Vice President,

Guarantor Services & Sales Marketing

John F. Remondi

Executive Vice President &

Chief Financial Officer

Michael W. Arthur

Senior Vice President & Treasurer

Robert S. Autor

Senior Vice President,

Corporate Development

Joseph D. Corvaia

Senior Vice President &

Chief Credit Officer

Barbara A. Deemer

Senior Vice President & Controller

Kathleen deLaski

Senior Vice President &

Chief Communications Officer

Barry W. Goulding

Senior Vice President,

Sales Management

Robert S. Lavet

Senior Vice President &

Deputy General Counsel

Kevin F. Moehn

Senior Vice President,

Higher Education Sales

Lawrence A. Morgan

Senior Vice President,

Servicing Systems Development

Hamed Omar

Senior Vice President,

Technology Infrastructure

Mark G. Overend

Senior Vice President,

E-Commerce

Joni Reich

Senior Vice President,

Administration

John F. Whorley

Senior Vice President,

Debt Management Operations

Price Range of Common Stock

USA Education, Inc.* common shares trade on the New York Stock Exchange under the symbol SLM. The following table sets forth the high and low sales prices for the Company's common stock for each full quarterly period in the two most recent fiscal years:

Common Stock Prices

		<i>1st Quarter</i>	<i>2nd Quarter</i>	<i>3rd Quarter</i>	<i>4th Quarter</i>
2000	High	\$43.88	\$38.69	\$48.94	\$68.25
	Low	28.50	27.81	36.88	44.88
2001	High	\$76.05	\$74.80	\$83.55	\$87.40
	Low	58.13	65.25	73.98	81.25

The Company paid regular quarterly dividends of \$.16 per share on the common stock in each of the first three quarters of 2000, \$.175 per share for the fourth quarter of 2000 and the first three quarters of 2001, and \$.20 per share for the fourth quarter of 2001 and the first quarter of 2002.

USA Education, Inc.* Annual Meeting

The annual meeting of shareholders will be held on Thursday, May 16, 2002, at 10:00 a.m. EST, at the Sallie Mae headquarters office, 11600 Sallie Mae Drive, Reston, VA 20193.

The Company's 2001 Form 10-K, as filed with the Securities and Exchange Commission, has been mailed to shareholders of record as of March 18, 2002, together with this Annual Report. Shareholders also may obtain without charge a copy of the Company's 2001 Form 10-K by writing to the Investor Relations department or by visiting our Web site at www.salliemae.com. The Form 10-K includes, among other things, the following items:

- Management's discussion and analysis of financial condition and results of operations.
- Financial statements and the related notes, including consolidated, audited balance sheets as of December 31, 2001 and 2000, and consolidated, audited statements of income, changes in stockholders' equity and cash flows, for the fiscal years ended December 31, 1999–2001.
- A brief description of the Company's business.

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Corporate Information

Sallie Mae Headquarters

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Reston, VA 20193
703 810-3000
www.salliemae.com

Investor Relations

Jeffrey R. Heinz
Managing Director
703 810-7751
By facsimile: 703 810-5074

Corporate Secretary

Mary F. Eure
Associate General Counsel
703 810-7785
By facsimile: 703 810-6005

Stock Transfer Agent

The Bank of New York
Shareholder Services Department
P.O. Box 11258
Church Street Station
New York, NY 10286-1258
800 524-4458
www.stockbny.com

Independent Public Accountants

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