

## **Brazos Announces Minimum Tender Conditions Not Currently Fulfilled for Auction Rate Security Offers**

WACO, TEXAS, November 3, 2008 – The Brazos Higher Education Service Corporation, Inc. (“Brazos”) announced today that the minimum tender conditions have not been met for the thirteen previously announced offers to purchase or exchange student loan-backed securities, almost all of which are auction rate securities (the “existing notes”), by Leon Higher Education Authority, Inc. (“Leon”), a Texas non-profit corporation for which Brazos acts as master servicer. As a result, Leon has not selected offers in respect of which to pursue a collateral resecuritization.

Approximately \$2.4 billion principal amount of existing senior notes and \$0.5 billion principal amount of subordinate notes had been tendered as of 5:00 p.m., New York City time, on October 31, 2008, representing from 5.1% to 69.8% of the outstanding principal amount of existing senior notes under each of the thirteen offers and from 8.1% to 100% of the outstanding principal amount of existing subordinate notes under each of the thirteen offers.

The previously announced expiration date for the offers remains unchanged at this time and therefore each offer will expire at 8:00 a.m., New York City time, on December 4, 2008, unless further extended. All holders of existing notes will have withdrawal rights in the offers, and be eligible to receive the consent fee under the offers, through that time. If offers are selected at a future time to proceed to the resecuritization phase, Leon will announce updated dates relating to those offers, including a new expiration date.

As previously announced, the offers are being made with respect to existing notes issued under thirteen separate indentures, each of which is secured by a specified pool of student loans. Brazos acts as master servicer for the companies that have issued the existing notes that are the subject of the offers: Brazos Higher Education Authority, Inc., Brazos Student Finance Corporation, Academic Finance Corporation, Trinity Higher Education Authority, Inc., Educational Funding Services, Inc., Federated Student Finance Corporation and EdInvest Company.

The specifics of each of the thirteen offers are set forth in a term sheet supplementing the Offer to Purchase or Exchange dated September 25, 2008 and each term sheet, together with the Offer to Purchase or Exchange, is referred to as a “Statement.” The offers are being made only through the Statements and this press release is not an offer. The offers are subject to conditions that are described in each Statement.

This press release supplements and amends each Statement and the related Letter of Transmittal and Consent. Any information in those documents that is inconsistent with this press release is now superseded. Except as described in this press release, the terms and conditions of the offers and consent solicitation are unchanged.

Leon has retained Citigroup Global Markets Inc. to act as the dealer manager for the offers and solicitation agent for the consent solicitations. Citi can be contacted at (800) 558-3745 (toll-free) or (212) 723-6106 (collect).

Media and press inquiries can be directed to Danielle Romero-Apsilos at Citi at (212) 816-2264 (main) or (212) 816-6750 (alternate).

Further details about the terms and conditions of the offers are set forth in the Statements referred to above, and the offers are being made solely through the Statements. Requests for documents may be directed to Global Bondholder Services Corporation, the information agent, which can be contacted at (212) 430-3774 (for banks and brokers only) or (866) 470-3800 (for all others toll-free). Documents are also available on its website:

[http://www.gbsc-usa.com/Brazos/Offering\\_Documents.htm](http://www.gbsc-usa.com/Brazos/Offering_Documents.htm)

This press release is for informational purposes only and is neither an offer to purchase or exchange nor a solicitation of an offer to sell the existing notes. The offer to buy the existing notes is only being made pursuant to the offer and consent solicitation documents, including the Offer to Purchase or Exchange that Leon is distributing to holders of the existing notes. The offers and consent solicitations are not being made to holders of existing notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the offers and consent solicitations to be made by a licensed broker or dealer, the offers and consent solicitations will be deemed to be made on behalf of Leon by the dealer manager or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

### **About Brazos**

Brazos serves as master servicer for a group of non-profit companies, which on a combined basis is the number four holder of student loans and the largest not for profit holder of FFELP loans in the country, and currently acts as master servicer in respect of over \$15 billion of assets in all of the states. Brazos has agreements with twenty-nine guarantors and six subservicing companies.

### **Forward-Looking Statements**

This press release contains statements of a forward-looking nature that represent Brazos' and Leon's management's beliefs and assumptions concerning future events, including statements regarding the potential initiatives that this press release describes. Forward-looking statements involve risks, uncertainties and assumptions, including the risk that the offers described above will not be completed or will be completed on terms other than those described, and are based on information currently available to Brazos and Leon. Actual results may differ materially from those expressed in the forward-looking statements due to many factors, including, without limitation, the effect of market conditions and economic factors and changes in the value of assets underlying the existing notes. Brazos and Leon undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this press release.