UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

CONSUMER FINANCIAL PROTECTION BUREAU, Plaintiff, v. THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2003-1, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2004-1, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2004-2, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2005-1, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2005-2, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2005-3, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-1, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-3, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-4, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2007-1, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2007-2, THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2007-3, and THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2007-4, Defendants.	Case No. 17-1323-SB

DEFENDANTS' FILING IN RESPONSE TO JOINT MOTION TO APPROVE PROPOSED STIPULATED ORDER

Defendants The National Collegiate Master Student Loan Trust, National Collegiate Student Loan Trust 2003-1, National Collegiate Student Loan Trust 2004-1, National Collegiate Student Loan Trust 2004-2, National Collegiate Student Loan Trust 2005-1, National Collegiate Student Loan Trust 2005-2, National Collegiate Student Loan Trust 2005-3, National Collegiate Student Loan Trust 2006-1, National Collegiate Student Loan Trust 2006-2, National Collegiate Student Loan Trust 2006-3, National Collegiate Student Loan Trust 2006-4, National Collegiate Student Loan Trust 2007-1, National Collegiate Student Loan Trust 2007-2, National Collegiate Student Loan Trust 2007-3, National Collegiate Student Loan Trust 2007-4 (collectively the "Trusts") submit this response to the Consumer Financial Protection Bureau (the "CFPB") and the Trusts' Joint Motion to Approve the proposed Stipulated Order and Judgment ("Proposed Stipulated Judgment") filed on January 16, 2025. The Trusts join in the CFPB's Motion to Approve, but also request that the Court not rule upon the Motion to Approve until after Noteholders in the Trusts' debt securities have been afforded a 30-day period to present to the Court any objection to the Proposed Stipulated Judgment. The CFPB has informed the Trusts that it takes no position on the Trusts' request.

The Indenture Trustee for the Trusts has asked that the holders of the debt securities issued by the Trusts be given an opportunity to present to the Court objections which they may have to the Proposed Stipulated Judgment. The NCSLTs are securitization trusts which issued debt securities at their inception. Each of the Trusts is "under water," meaning that its assets are less than the amounts ultimately needed to fully pay principal and interest on the debt securities. In circumstances like these, noteholders are generally provided an opportunity to state their

views regarding settlement of significant, non-ordinary course matters, such as the present action, through some form of a judicial approval process.

The Indenture Trustee for the securities issued by the Trusts is providing notice to the Noteholders of the Proposed Stipulated Judgment through the Depository Trust and Clearing Corporation ("DTCC") and through DTCC's processes to various brokers. A specimen copy of the notice is attached as Exhibit 1. The notifications will not be immediate as a practical matter because most of the Noteholders are likely to receive notice through the brokers, which carry securities in their accounts. To facilitate awareness by Noteholders, the Indenture Trustee will also post the notice on its investor reporting website.

In order to provide Noteholders time to consider the implications of the Proposed Stipulated Judgment, and an opportunity to voice any objection, the Indenture Trustee believes that a 30-day period for Noteholders to make any filings with the Court and a seven-day period for any responses by the CFPB and Trusts, if necessary, would be appropriate before the Court issues a decision on the Motion to Approve.[1] An important factor in the Indenture Trustee's concurrence in the Trusts' decision to enter into the Proposed Stipulated Judgment is the Trusts' request to provide a defined period for Noteholders to voice any objections they may have before the Court acts on the Motion to Approve. The Indenture Trustee believes that this process will minimize the likelihood of a subsequent procedural or substantive challenge to this Court's approval.

[1] This process is the same as the process recently followed in the Middle District of Pennsylvania in the court's consideration of the settlement of another CFPB enforcement action against the Trusts and a servicing entity. *Consumer Financial Protection Bureau v. Pennsylvania Higher Education Assistance Agency, The National Collegiate Student Loan Master Trust, et al.*, 24-cv-756 (JPW). In that case, the court initially granted an 18-day period for lodging objections (ECF 13), and then extended the period for an additional 27 days (45 days in total) on motion of various noteholder groups (ECF 28). The Trusts are requesting a 30-day period in this matter as reflected in the attached proposed scheduling order.

CONCLUSION

In light of the foregoing, the Trusts respectfully request the Court enter the attached proposed Scheduling Order with respect to the Joint Motion to Approve the Stipulated Final Judgment.

Dated: January 16, 2025

Respectfully submitted,

/s/ Michael A. Weidinger

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