

Sallie Mae to Acquire Pioneer Credit Recovery, Inc.

RESTON, Va., Dec. 19 /PRNewswire/ -- USA Education, Inc. (NYSE: **SLM**), commonly known as Sallie Mae, the nation's leading provider of education funding, today announced that it has reached agreement to acquire Pioneer Credit Recovery, Inc. (Pioneer), the number one student loan collection service for the U.S. Department of Education. The acquisition, which is expected to close in January 2002, provides Sallie Mae with increased operational efficiency as the company continues to build in-house expertise in student loan delinquency and default services.

Pioneer performs collection activities for government agencies and private corporate clients, including the U.S. Department of Education, the U.S. Department of the Treasury, the Colorado Student Loan Program and the Oregon Student Assistance Commission. Pioneer will become a wholly owned subsidiary of Sallie Mae and will maintain its management team and headquarters in Arcade, NY. Founded in 1980, Pioneer employs more than 350 people.

Sallie Mae currently owns or manages student loans for more than seven million borrowers totaling nearly \$72 billion, and has recently, with the acquisition of USA Group in 2000, established a Debt Management Operations division to perform in the area of student-loan delinquency and default services.

"This transaction represents another key step for Sallie Mae," said Albert L. Lord, vice chairman and CEO, Sallie Mae. "Pioneer will grow our collection capabilities so we can be number one at this important phase of the student loan life cycle and reduce the default costs borne by taxpayers when borrowers do not repay their loans."

"My executive management team and I are energized by the future opportunities that lie ahead for our employees as we join forces with Sallie Mae," said Kathleen M. Balus, founder, president and CEO of Pioneer. "This transaction represents the continuation of the American dream as our business grows in partnership with a top-notch company whose management group is fully committed to a work environment that is rewarding to each and every employee and the community in which we live and work."

Thomas Edens, president of Marion Financial Corporation, represented Pioneer Credit in this transaction.

Sallie Mae, founded 28 years ago, provides funds for educational loans, primarily federally guaranteed student loans originated under the Federal Family Education Loan Program (FFELP). The company currently owns or manages nearly \$72 billion in student loans and provides parents, students and educators with comprehensive information on the financial aid process. Through its specialized subsidiaries and divisions, Sallie Mae also provides an array of consumer credit loans, including those for lifelong learning and K-12 education, and business and technical outsourcing services for colleges and universities. More information is available at <http://www.salliemae.com>.

USA Education, Inc. and its subsidiaries, other than the Student Loan Marketing Association, are not sponsored by or agencies of the United States.

Pioneer Credit Recovery, Inc. (Pioneer) is a national rising star within the receivables management arena. A majority woman-owned business established in 1980, Pioneer provides immediate, professional debt management solutions. Pioneer is dedicated to continually providing collection partners with a company that has the knowledge, technology and personnel to receive and resolve accounts in the most efficient, professional and ethical manner possible.

Statements in this release referring to expectations as to future earnings and operations, and other future developments are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve risks, uncertainties and other factors that may cause the actual results to differ materially from such forward-looking statements. Such factors include, among others, the ability to successfully integrate operations, the impact of competitors' responses, changes in terms of student loans and the educational credit marketplace arising from the implementation of applicable laws and regulations, and from changes in such laws and regulations, and changes in the demand for educational financing or in financing preferences of educational institutions, students and their families.

SOURCE Sallie Mae

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