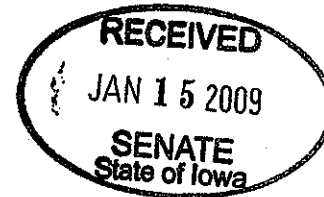




CHESTER J. CULVER
GOVERNOR
PATTY JUDGE
LT. GOVERNOR

THOMAS B. GRONSTAL
SUPERINTENDENT



January 15, 2009

The General Assembly of the State of Iowa
House of Representatives
Senate
Second Floor
State Capital
Des Moines, Iowa 50319


RE: Report of Review of the Qualified Student Loan Bond Issuer

To the General Assembly:

The January 15, 2009, report of review of the qualified student loan bond issuer, Iowa Student Loan Liquidity Corporation, completed by the Iowa Superintendent of Banking is enclosed. This report is submitted pursuant to the Code of Iowa 7C.13(6).

The scope of the review and my findings are shown in the report. I appreciate the opportunity to provide the General Assembly with this report.

Sincerely,


Thomas B. Gronstal
Iowa Superintendent of Banking

cc: Governor Chester J. Culver

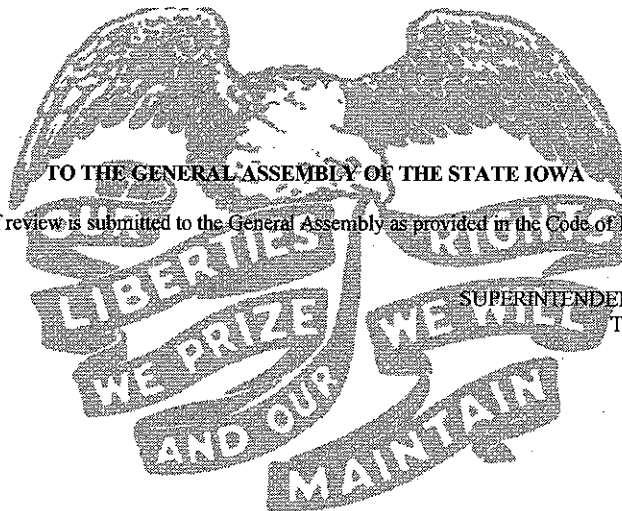
**IOWA DIVISION OF BANKING
DEPARTMENT OF COMMERCE**

REPORT OF REVIEW

Qualified Student Loan Bond Issuer

**Iowa Student Loan Liquidity Corporation
West Des Moines, Iowa**

January 15, 2009



This report of review is submitted to the General Assembly as provided in the Code of Iowa 7C.13(6).

**SUPERINTENDENT OF BANKING
Thomas B. Gronstal**

Iowa Superintendent of Banking

Annual review of the qualified student loan bond issuer

January 15, 2009

The current qualified student loan bond issuer is the Iowa Student Loan Liquidity Corporation (ISLLC)

Scope of Review

Review of assets, loan volume, and reserves.

Review of procedures to inform student about advantages of Title IV loans

Verification of compliance with tax exempt bond issuing requirements

Financial review

The Superintendent reviewed ISLLC's most recent audited financial statements dated June 20, 2008 (the auditors noted that the financial statements presented fairly, in all material respects, the financial positions of ISLLC), and interim financial statements dated September 30, 2008; reviewed ISLLC's independent auditor's review of operating controls; and reviewed this information with ISLLC executives.

Findings:

ISLLC is adequately capitalized. A majority of ISLLC's assets are held as student loans guaranteed by the federal government. The net assets and reserves adequately protect the organization from any expected losses in the remaining assets.

ISLLC should retain net earnings to build reserves for future funding needs.

Despite difficulties in obtaining loan funding by issuing bonds, ISLLC was able to fund loans to qualified borrowers by liquidating non-loan investments, borrowing on a line of credit agreement, and using funds received as payments on the current loan portfolio.

ISLLC is working with area banks and credit unions to develop funding mechanisms so that new loan funds will be available in future periods.

Procedures to inform students of advantages of Title IV loans

The Superintendent reviewed information given to students with questions about borrowing for college expenses, private loan application information, and training materials provided to financial aid officers and ISLLC staff regarding private loan applications.

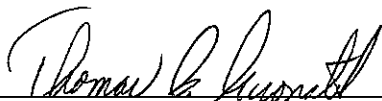
Findings:

Materials given to students and schools note that forms of financial aid other than borrowing should be exhausted before considering borrowing. If the student needs to borrow, the materials note that federal student loans should be exhausted before private loans are considered.

Both online and paper applications for private loans note in their opening paragraphs that all other sources of financial aid and loans should be exhausted before considering a private loan.

Verification of compliance with tax exempt bond issuing requirements

ISLLC has not issued tax exempt bonds since July 1, 2008, when the new requirements for issuing those bonds became effective.



Thomas B. Gronstal, Iowa Superintendent of Banking

1-15-09

Date