Supplement to Official Statements

This Supplement to Official Statements, dated as of January 31, 2008 (the “Supplement”), is provided to amend, on a temporary basis, certain information set forth in the Official Statements regarding the below-referenced bonds (the “Bonds”). This Supplement speaks only as of its date. Prospective purchasers of any of the Bonds should not rely on any provisions of the related Official Statement to the extent inconsistent with this Supplement.

STATE OF NORTH CAROLINA
STATE EDUCATION ASSISTANCE AUTHORITY
(A political subdivision of the State of North Carolina)

TAX-EXEMPT GUARANTEED STUDENT LOAN REVENUE BONDS

$30,000,000 1997 SERIES E

$60,000,000 2001 SERIES J

$125,000,000 2002 SERIES K

$200,000,000 2003 SERIES M

$396,650,000 2004 SERIES O

$376,000,000 2006 SERIES Q

$434,200,000 2007 SERIES S

1. Changes to Definitions. With respect to all of the above-referenced Bonds, the following definitions will be used to calculate the “maximum auction rate” as such term is used throughout the Official Statements (including the Appendices thereto) for a temporary period ending May 31, 2008:

“After-Tax Equivalent Rate” means, on any date of determination, the interest rate per annum equal to the product of (i) the CP Rate, and (ii) 1.00 minus the maximum statutory corporate federal income tax rate on such date.

“Applicable Percentage” with respect to each Tranche of the series of Bonds described in the applicable Official Statement on any date of determination, means the percentage determined based on Moody’s, Fitch’s or S&P’s rating on such series of Bonds in effect at the close of business on the Business Day immediately preceding such date, or, if such series of Bonds is then rated by two or more of Moody’s, Fitch and S&P, based on the lower of such ratings on such Business Day, as set forth below:
<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>Moody's</th>
<th>Fitch and S&amp;P</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Aaa&quot;</td>
<td>&quot;AAA&quot;</td>
<td></td>
<td>225%</td>
</tr>
<tr>
<td>&quot;Aa&quot;</td>
<td>&quot;AA&quot;</td>
<td></td>
<td>225%</td>
</tr>
<tr>
<td>&quot;A&quot;</td>
<td>&quot;A&quot;</td>
<td></td>
<td>250%</td>
</tr>
<tr>
<td>&quot;Baa&quot;</td>
<td>&quot;BBB&quot;</td>
<td></td>
<td>250%</td>
</tr>
<tr>
<td>Below &quot;Baa&quot;</td>
<td>Below &quot;BBB&quot;</td>
<td></td>
<td>290%</td>
</tr>
</tbody>
</table>

provided, that if such series of Bonds is not then rated by a Rating Agency, the Applicable Percentage shall be 290%. For purposes of this definition, Fitch’s and S&P’s rating categories of “AAA”, “AA”, “A” and “BBB”, and Moody’s rating categories of “Aaa”, “Aa”, “A” and “Baa” refer to and include the respective rating categories correlative thereto if any of such rating agencies have changed or modified their generic rating categories or if Moody’s, Fitch or S&P do not rate or no longer rate such series of Bonds or have been replaced. All ratings referred to above shall be without regard to the gradations within each rating category.

“CP Rate” means the 90-day AA Financial Commercial Paper rate most recently posted on the Federal Reserve Release entitled “Commercial Paper Rates and Outstandings.” Such release may be available on the Internet at http://www.federalreserve.gov/releases/cp/. If the rate is no longer available from such source, the Trustee or Auction Agent, as applicable, will ascertain the rate in good faith from such sources as it shall determine to be comparable to such source. If such rate is only published as a discount rate, such discount rate is to be converted to a bond equivalent yield using the following formula and rounded to the nearest thousandth of a percent (0.001%):

$$\frac{Q \times D}{360 - (90 \times Q)} \times 100$$

where “Q” refers to the per annum rate quoted on a discount basis and expressed as a decimal and where “D” refers to the number of days in the year in which the CP Rate is to take effect.

“Maximum Auction Rate” means the least of:

(i) the Applicable Percentage multiplied by the greater of (a) the After-Tax Equivalent Rate or (b) the Securities Industry and Financial Markets Association Municipal Swap Index;

(ii) 12% per annum; or

(iii) the maximum rate permitted by State law.

“Securities Industry and Financial Markets Association Municipal Swap Index” means on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association, its successor and assigns, or any person acting in cooperation with or under its sponsorship and acceptable to the Market.
Agent, and effective from such date.

2. **Effective Date.** The above-referenced changes are effective through May 31, 2008.

January 31, 2008